



## Cabinet

**Monday 27 June 2016 at 7.00 pm**  
Board Room 4 - Brent Civic Centre, Engineers Way,  
Wembley HA9 0FJ

### Membership:

#### Lead Member Councillors:

#### Portfolio

Butt (Chair)	Leader of the Council
McLennan (Vice-Chair)	Deputy Leader
Farah	Lead Member for Housing
Hirani	Lead Member for Community Well-being
Mashari	Lead Member for Regeneration and Growth, Employment and Skills
W Mitchell Murray	Lead Member for Children and Young People
Pavey	Lead Member for Stronger Communities
Southwood	Lead Member for Environment

**For further information contact:** Anne Reid, Principal Democratic Services Officer  
020 8937 1359, [anne.reid@brent.gov.uk](mailto:anne.reid@brent.gov.uk)

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**[democracy.brent.gov.uk](http://democracy.brent.gov.uk)**

**The press and public are welcome to attend this meeting**

# Agenda

Introductions, if appropriate.

Apologies for absence.

Item	Page
<b>1 Declarations of personal and prejudicial interests</b>	
Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.	
<b>2 Minutes of the previous meeting</b>	1 - 6
<b>3 Matters arising</b>	
<b>4 Petition - parking charges</b>	
A petition has been received in the following terms:  “I oppose the plans by Labour councillors in Brent to increase the cost of visitor parking to £4.50 per day. This rise is unfair and unjustified.”	
<b>5 On-Street Parking Service Offer and Charges in Controlled Parking Zones; decisions following consultation</b>	7 - 58
Cabinet agreed at its meeting on 14 March 2016 to undertake a major consultation exercise on a series of changes to the way in which the council manages, and charges for, on street parking in Controlled Parking Zones (CPZs). This report sets out the results of the consultation exercise and makes a coherent set of linked proposals for reform.  <b>Ward Affected:</b> All Wards <b>Lead Member:</b> Councillor Southwood <b>Contact Officer:</b> Gavin F Moore, Head of Parking and Lighting Tel: 020 8937 2979 gavin.f.moore@brent.gov.uk	
<b>6 Community Asset Transfer at Tenterden Pavilion &amp; Sports Ground, 289 Preston Road HA3 0QQ, marketing outcome and recommendation</b>	59 - 84

On the 20 January 2016 Brent’s Cabinet approved the marketing of the Tenterden Pavilion and Sports Ground as a Community Asset Transfer opportunity. This report details the outcome of marketing making a recommendation to grant a lease of the pavilion and a licence of the ground to a preferred applicant.

**Ward Affected:**  
Kenton

**Lead Member:** Councillor Butt  
**Contact Officer:** Peter Gadsdon, Director,  
Performance, Policy and Partnerships  
Tel: 020 8937 1400  
peter.gadsdon@brent.gov.uk

## **7 BHP and Housing Management Arrangements**

85 - 98

This report outlines three main options open to the council which are to continue with provision by BHP, for the council to directly provide the service in-house or to enter into a partnership arrangement with another organisation to provide these services.

Cabinet are therefore asked to agree to commence a formal review of these housing management options. This review will include consultation with tenants and leaseholders to gain insight into satisfaction with the current service and priorities for future provision, and to inform the criteria for decision between the options.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor Farah  
**Contact Officer:** Jon Lloyd-Owen, Operational  
Director, Housing and Employment  
Tel: 020 8937 5199 jon.lloyd-  
owen@brent.gov.uk

## **8 Care And Support Contract - Extra Care - authority to procure**

99 - 110

In accordance with the Council's Contract Standing Orders 88 and 89 authority is sought to approve the procurement of the care and support service for the following four extra care schemes (ECS) with a maximum of three associated Care and Support contracts:

Beechwood Court – Wembley  
Rosemary House – Willesden  
Harrod Court - Kingsbury  
Tulsi House – Sudbury.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor Hirani  
**Contact Officer:** Amy Jones, Head of  
Commissioning and Quality  
Tel: 020 8937 4061 amy.jones@brent.gov.uk

## **9 Accommodation services for people with learning disabilities**

111 -  
128

The Council currently has three properties that support 10 people with learning disabilities in the community. In 2014, it was agreed by Cabinet that a competitive tender process would be undertaken to establish new

lease arrangements and on-site care and support service contracts. The report provides an update on the current arrangements and requests authority for an exemption to award 3 twenty month contracts for ongoing care and support when the existing arrangements end as required by Contract Standing Order No 84(a). This report explains the reasons for the exemption request and details the service benefits to the recommendation, prior to undertaking a new tender process as required by Contract Standing Orders 88 and 89.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor Hirani  
**Contact Officer:** Amy Jones, Head of  
Commissioning and Quality  
Tel: 020 8937 4061 amy.jones@brent.gov.uk

**10 Supply and Demand of Accommodation** 129 -  
144

This report provides an analysis of housing supply and demand issues, including performance in 2015/16 and challenges for 2016/17 onwards. The report recommends that the allocation of 71% of social housing lettings to homeless households in 2016/17.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor Farah  
**Contact Officer:** Laurence Coaker, Housing  
Needs Service  
Tel: 020 8937 2788  
laurence.coaker@brent.gov.uk

**11 Housing Right to Buy Receipts Programme - Phase 1 update and Phase 2 Procurement** 145 -  
160

In August 2015 Cabinet agreed to establish and deliver a Right to Buy (RTB) receipt enabled new supply housing programme for 2015-19. Phase 1 of the programme, to purchase open market properties, is substantially underway and nine acquisitions have been completed to date. Soft market testing has been carried out of prospective external delivery partners for Phase 2, and an alternative investment approach is now proposed.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor Farah  
**Contact Officer:** Chris Trowell, Housing  
Partnerships Service  
Tel: 020 8937 4527 chris.trowell@brent.gov.uk

**12 Contracting for Special Educational Needs Placements and Additional Resourced Provisions in Independent Schools and Academies** 161 -  
174

This report seeks approval to set up a Dynamic Purchasing System (DPS)

for the placements of Children and Young People with Special Educational Needs in Independent Non Maintained Special Schools as required by Contract Standing Orders 88 and 89. Brent will be acting as the lead borough on behalf of the West London Alliance in the procurement exercise for the DPS. The DPS will be utilised by the following WLA members: Barnet, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Royal Borough of Kensington & Chelsea and City of Westminster; seeks approval for the continuation of the block contract with Centre Academy for special education placements for the academic year 2016/17; considers the placement arrangements of Children and Young People requiring Additional Resourced Provisions in maintained schools and Academies.

**Ward Affected:** All Wards  
**Lead Member:** Councillor W Mitchell Murray  
**Contact Officer:** Nigel Chapman, Head of Service – Forward Planning, Performance & Partnerships  
Tel: 020 8937 4456  
nigel.chapman@brent.gov.uk

**13 Civic Enterprise Strategy** 175 - 186

This report sets out the Civic Enterprise strategy for achieving this commercial potential and for endorsement by Cabinet.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Pavey  
**Contact Officer:** Stephen Hughes, Interim Strategic Director, Resources  
Tel: 020 8937 1506  
stephen.hughes@brent.gov.uk

**14 Indemnifying Members and Officers when representing the Council on outside bodies or carrying out special roles** 187 - 198

This report explains the Council's arrangements for the granting of indemnities to officers and Members to cover the risks of claims which may be made against them personally or other losses or liabilities they might incur when representing the Council on outside bodies or when carrying out special roles.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Butt  
**Contact Officer:** Fiona Alderman, Chief Legal Officer  
Tel: 020 8937 4101  
fiona.alderman@brent.gov.uk

**15 Shared Procurement Service - Revision to Participating Members** 199 - 266

This report seeks approval for LB Brent to join a Procurement Shared Service (PSS) that will be led by LB Harrow as set out in the Business Case at Appendix A. The principal aim of joining the PSS will be to ensure that the Council continues to receive Procurement services whilst being in a strong position to deliver the required savings of £272k from procurement in 2016/17.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor McLennan  
**Contact Officer:** Terry Brewer, Head of  
Commissioning and Procurement  
Tel: 020 8937 1439 terry.brewer@brent.gov.uk

## **16 Performance Report, Q4 (January - March) and out-turn 2015/16**

267 -  
278

The purpose of this report is to provide Cabinet with a corporate overview of performance information linked to the current priorities for Brent, to support informed decision-making, and to manage performance effectively.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor McLennan  
**Contact Officer:** Peter Gadsdon, Director,  
Performance, Policy and Partnerships  
Tel: 020 8937 1400  
peter.gadsdon@brent.gov.uk

## **17 Old Oak and Park Royal Local Plan Consultation Response**

279 -  
308

The Mayor of London has established the Old Oak and Park Royal Mayoral Development Corporation (MDC) to drive forward the regeneration of the Old Oak and Park Royal Opportunity Area, focussed around the proposed High Speed 2 and Crossrail interchange. The London Plan (2015) identifies Old Oak as an opportunity area with capacity for a minimum of 24,000 new homes and 55,000 new jobs, whilst Park Royal opportunity area has capacity for 1,500 new homes and 5,000 new jobs. The Old Oak and Park Royal Development Corporation (OPDC) consulted on their draft Local Plan which provides detailed planning policy for the area and sets out how the targets in the London Plan will be realised. An interim response was submitted by Brent Council, subject to Cabinet approval and any further comments. Although the Council supports the principle of regenerating the area, there are a number of significant outstanding concerns regarding the detailed policies in the Plan.

**Ward Affected:**  
Harlesden;  
Kensal Green;  
Stonebridge;  
Tokyngton

**Lead Member:** Councillor Butt  
**Contact Officer:** Claire Jones, Principal Planner  
in Policy and Projects  
Tel: 020 8937 5301 claire.jones@brent.gov.uk

**18 Reference of item considered by Scrutiny Committee (if any)**

**19 Exclusion of Press and Public**

The following item is not for publication as it relates to the following category of exempt information as specified in the Local Government Act 1972 namely:

"Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

**APPENDIX: BHP and Housing Management Arrangements**

**20 Any other urgent business**

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.

**Date of the next meeting: Monday 25 July 2016**



- Please remember to set your mobile phone to silent during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.

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## LONDON BOROUGH OF BRENT

### MINUTES OF THE CABINET Monday 23 May 2016 at 7.00 pm

PRESENT: Councillor Butt (Chair), Councillor Pavey (Vice-Chair) and Councillors Denselow, Hirani, Mashari, McLennan, Moher and Southwood

Also present: Councillors Chohan and Kelcher

1. **Declarations of personal and prejudicial interests**

None.

2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 11 April 2016 be approved as an accurate record of the meeting.

3. **Matters arising**

None.

4. **Authority to award contract for the supply of Street Lighting LED Lanterns**

Councillor Southwood, Cabinet Member for Environment, introduced the report explaining a recent issue associated with the proposed award of the Lot 1 contract to Bouygues E&S Infrastructure UK Limited (Bouygues) for the supply of LED (Light Emitting Diode) street lighting luminaires, as recommended to Cabinet in January 2016.

Councillor Southwood explained that during the mandatory standstill, sometimes referred to as the 'Alcatel' period, which allows bidders to informally challenge tender results or seek clarity in how decisions were reached, a formal request was received by officers for clarification from an unsuccessful bidder.

Councillor Southwood explained that the main query concerned the calculations used by Bouygues to formulate their price. Subsequent technical analysis, and dialogue with Bouygues, revealed that arithmetical errors had indeed been made which prejudiced the savings proposals cited in their bid. The clarification also revealed some ambiguities in the council's specification which had been interpreted by bidders in different ways.

Councillor Southwood stated that this report proposed a method for effectively managing the issue and associated risks, whilst minimising the delay in realising carbon and energy savings.

Conrad Hall, Chief Finance Officer, highlighted to members that due to the delay in commencing this project, it is unlikely to achieve additional savings in 2016/17.

He stated that, if the proposal in this report was agreed, the anticipated savings of £0.75m per annum would still be achieved from 2017/2018 year onwards.

RESOLVED:

- (i) that the decision made in the Cabinet meeting of the 20 January 2016 to award the contract for the supply of LED (Lot 1 Light Emitting Diode) street lighting luminaires to Bouygues E&S Infrastructure UK Limited be rescinded, noting that all other recommendations made in that report remain unaffected;
- (ii) that officers be authorised to revert to the invitation to submit a Best and Final Offer (BAFO) stage in the Lot 1 tendering process for the supply of LED (Light Emitting Diode) street lighting luminaires using a revised specification, as detailed in paragraphs 3.12 to 3.22; and
- (iii) that authority be delegated to the Strategic Director (Regeneration and Environment), in consultation with the Chief Legal Officer, Chief Finance Officer and the Lead Member for Environment, to sanction the award of a contract to the Most Economically Advantageous Tender, based upon the criteria set out in paragraphs 3.22 to 3.25 in the report.

## 5. **Highways Investment Programme 2016/17**

Councillor Southwood, Cabinet Member for Environment, introduced the report stating that Brent's highways infrastructure (including roads and pavements) was the asset most used by the public and the most visible.

In common with other Highway Authorities, Brent had an increasing maintenance requirement which cannot be met through a standstill budget. Currently estimated in Brent at £100m, more defects were appearing year on year.

She stated that public expectations were rising with more customer reports of highways defects every year asking for these to be repaired.

An increase in the level of investment to maintain the highway network was required to respond to public concerns, make it safer and fit-for-purpose, and to improve public satisfaction.

She reminded Cabinet that The Highways Capital Scheme Programme 2016-17, approved at the 14 March 2016 Cabinet, set out proposals to allocate £3.55m of Brent capital to maintain the highway network.

Councillor Southwood stated that it was also possible to improve the management of highway infrastructure and offer a better customer service experience to residents and businesses.

She stated that the council had made a start in implementing an asset management approach through establishing a Highway Asset Management Plan.

Councillor Southwood stated that being more efficient in how and where the investment was spent, required confidence in information and the ability to analyse it, including budget vs condition level modelling scenarios.

She stated that the Council was investigating a “Brent Asset Management Tool”, a computer tool which would allow funding allocations to be better targeted for the best effect, including indicative treatment types from the condition data that would optimize the life of roads and pavements.

Councillor Southwood reminded members that improvement in asset management processes could also help secure future grant allocations, should TfL follow the DfT in changing the basis for funding allocation, as anticipated. Over a five year period the DfT would increase the proportion of Incentive funding that was based on “performance” (as measured by the level of asset management maturity reached); whilst the proportion that was based on ‘need’ would lessen. TfL was considering reforming the allocation of maintenance funding for Principal Roads in London to be along the same lines as the DfT model.

With the permission of the Chair, Councillor Kelcher, Chair of the Resources and Public Realm Scrutiny Committee, spoke welcoming the report. He asked Councillor Southwood to look at the content of the generic automated response sent to members of the public when they report a fault.

**RESOLVED:**

- (i) that approval be given to the investment of £2m in 2016/17 of Brent capital funding as summarised in Section 6 of the report from the Strategic Director, Regeneration and Growth;
- (ii) that approval be given to the major footway upgrade programme element of £1.3m to be carried out with pavement slabs being replaced with tarmac (instead of a like-for-like replacement as has been the practice up until now, see section 3.2.1 of the Strategic Director’s report);
- (iii) that approved be given to the proposed additional highways investment programme for 2016-17 as detailed in Appendix B of the Strategic Director’s report;
- (iv) that the major footway upgrade programme of £1.510m approved in the Highways Capital Scheme Programme 2016-17, approved at the 14 March 2016 Cabinet, be carried out with the pavement slabs being replaced with tarmac as a default. Category 1 & 2 footways and conservation areas would be considered on a case by case basis, but would normally be replaced like for like. (Appendix E) (see section 3.2.12 of the report);
- (v) that the “Footway upgrades – short sections” pavement allocation of £0.150m approved in the Highways Capital Scheme Programme 2016-17, approved at the 14 March 2016 Cabinet, be carried out with:
  - a) in conservation areas or Category 1 & 2 footways, considered on a road by road basis but generally slabs (See section 3.2.12);

- b) where the length to be replaced is junction to junction, the pavement slabs being replaced with tarmac – even though it may only be only side of the street only;
- c) otherwise, for sections shorter than junction to junction, pavement surface to be replaced like for like.

**6. School site, 399 Edgware Road, NW9 0JJ & 434 Church Lane, NW9 9BD**

Councillor Butt, Leader of the Council, introduced the report asking Cabinet to approve the grant of a 125 year lease to the Floreat Education Academies Trust (FEAT) to enable the construction of a two form entry primary school on a site that forms part of the Oriental City redevelopment site.

Councillor Butt stated that granting an interim three year lease to FEAT for the period of construction at 434 Church Lane, Kingsbury, NW9 9BD, on completion of construction, FEAT would move out of Church Lane to the new school at the Oriental City development.

The Cabinet also had before them an appendix to the report which was not for publication as it contained the following category of exempt information as specified in Schedule 12 of the Local Government (Access to Information Act) 1972:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

RESOLVED:

- (i) that approval be given to the grant of a 125 year lease, to Floreat Education Academies Trust, on the terms described in the report from and the head of terms in confidential appendix 1, for the proposed two form entry primary and nursery school, at the Oriental City redevelopment at 399 Edgware Road, NW9 0JJ, “the subject site”, Appendix 2 of the report from the Strategic Director of Resources;
- (ii) that approval be given to the grant of a three year lease to the Floreat Education Academies Trust, on the terms described in the report from the Strategic Director and the heads of terms in confidential Appendix 3, for 434 Church Lane, Kingsbury, NW9 9BD, Appendix 4;
- (iii) that authority be delegated to the Strategic Director, Resources, in consultation with Strategic Director, Children and Young People, to finalise negotiations and enter the leases.

**7. Clock Cottage Investment & Redevelopment Proposals**

Councillor Butt, Leader of the Council, reminded members that the council’s Strategic Property Plan 2015-19 set out a presumption for Brent to retain its limited property assets, utilising them to support regeneration, generating revenue savings, and capital investment for new income generation.

Councillor Butt stated that the report proposed that capital investment be approved to enable Brent Council to redevelop Clock Cottage, Kenton Road, London, HA3 0YG (the subject site) delivering 17 homes of “New Accommodation Independent Living” (NAIL) to

house at least 19 people with care and support needs. The anticipated 19 residents would pay affordable rents with specialist support packages provided by Adult Social Care.

RESOLVED:

- (i) that approval be given to capital investment of £4.123m, to bring forward the proposed 17 New Accommodation Independent Living (NAIL) homes at Clock Cottage;
- (ii) that authority be delegated to the Strategic Director for Resources in consultation with the Chief Legal Officer and the Chief Finance Officer to oversee the Clock Cottage redevelopment scheme progression through further viability testing, local consultation, and planning consent;
- (iii) that authority be delegated to the Strategic Director for Resources in consultation with the Chief Legal Officer and the Chief Finance Officer in respect to a works contract for the Clock Cottage redevelopment to agree pretender considerations, invite tenders and thereafter award the contract.

#### 8. **Extension of a Contract in respect of Software Licence Maintenance and Support**

Councillor McLennan, Deputy Leader of the Council, stated that report sought authority to extend the contract for software update licences and support for the council's Financial and HR/Payroll systems.

She stated that Cabinet had previously approved the extension of the contract for software update licences and support for financial and HR/Payroll systems to Oracle Corporation UK Limited for a period from 1 June 2016 to 16 May 2018.

Councillor McLennan stated that the cost of the two year extension was £517k. The proposal ensured that the council continued to benefit from the 90% discount on which the contract from 2012 was based. She stated that it also included a discount for entering into a two year commitment.

RESOLVED:

that approval be given to the extension of the contract for software update licences and support for financial and HR/Payroll systems to Oracle Corporation UK Limited for a period from 1 June 2016 to 16 May 2018.

#### 9. **Nominations to outside bodies and Cabinet Committees**

RESOLVED:

- (i) that the appointment of members by the Leader to the Highways Committee, Joint Lewisham ICT Committee and West London Economic Prosperity Board as set out below be noted;
- (ii) that the appointment of members to the Barham Park Trust Committee, London Housing Consortium - Building Components and Solutions and South Kilburn Trust be agreed as shown below:

	<b>Cabinet Committees</b>	<b>2016/17 representation</b>
(i)	Barham Park Trust Committee (5 Cabinet members)	Farah Hirani Pavey McLennan (C) Southwood  Substitutes: Butt, Mashari, W Mitchell Murray
(ii)	Highways Committee (5 Cabinet members)	Farah Hirani Mashari (VC) W Mitchell Murray Southwood (C)  Substitutes: Butt, McLennan, Pavey
(iii)	Joint Lewisham ICT Committee (2 Cabinet members)	Butt and McLennan
(iv)	West London Economic Prosperity Board (1 Cabinet member)	Butt
	<b>Outside bodies</b>	
(i)	London Housing Consortium - Building Components and Solutions	Farah
(ii)	South Kilburn Trust	Duffy

**10. Reference of item considered by Scrutiny Committee**


Councillor Kelcher, Chair of the Resources and Public Realm Scrutiny Committee, agreed to submit questions relating to a previous Cabinet decision by email.

**11. Any other urgent business**

None.

The meeting ended at 7.24 pm

M BUTT  
Chair

 <p><b>Brent</b></p>	<p><b>Cabinet</b> 27 June 2016</p> <p><b>Report of the Strategic Director, Regeneration and Environment</b></p>
For Decision	Wards Affected: Whole Borough
<b>On-Street Parking Service Offer and Charges in Controlled Parking Zones; decisions following consultation</b>	

## 1.0 Summary

- 1.1 Cabinet agreed at its meeting on 14 March 2016 to undertake a major consultation exercise on a series of changes to the way in which the council manages, and charges for, on street parking in Controlled Parking Zones (CPZs). This report sets out the results of the consultation exercise and makes a coherent set of linked proposals for reform.

## 2.0 Recommendations

Cabinet is asked to formally express its thanks to all those who responded to the on-street parking consultation, and then agree:

### Demand-Led Pay and Display Tariffs:

- 2.1 To freeze parking prices in Pay & Display bays borough-wide.

### Daily Visitor Parking Charges:

- 2.2 To proceed to formal consultation on a Traffic Management Order, under the Road Traffic Regulation Act 1984, introducing new visitor parking charges in CPZ areas, with a £1.50 charge for up to 2 hours, a £3 charge for up to 4 hours, and a £4.50 charge for 'all-day' visitor parking of more than 4 hours.
- 2.3 To delegate authority to implement the price changes following formal consultation, including amendment of any relevant Traffic Management Orders, to the Strategic Director Regeneration & Environment, in consultation with the Lead Member for Environment.

### Visitor Household Permit

- 2.4 To retain the Visitor Household permit.

- 2.5 To increase the charge made for the Visitor Household permit, from 1<sup>st</sup> October 2016, to a 2016/17 rate of £163 for a full year; £98 for 6 months and £66 for three months; and with future increases linked to the price of a third Resident Parking Permit for vehicles in the proposed 'Standard' emissions band.

#### Carer and Support Permit:

- 2.6 Dependent on agreement to recommendation 2.4 above, to withdraw the proposal to introduce a new Care and Support permit.

#### School Parking Permits:

- 2.7 In respect of parking for school staff:

- To allow schools within CPZs to purchase a maximum of 3 business permits, at the standard rate (£366 in 2016/17) and terms & conditions, with immediate effect;
- To introduce a new scheme allowing qualifying schools to:
  - Purchase a maximum of 3 school staff parking permits at a rate discounted by 25% to reflect term-time use only, providing the school has a bronze level accredited travel plan;
  - Purchase additional school staff parking permits at the reduced term-time rate should they have either a silver (up to 6 school permits in total) or a gold (up to 9 school permits in total) level accredited travel plan.

#### Residents Parking Permits:

- 2.8 From 1<sup>st</sup> April 2017 to amend the resident parking permit scheme as follows:
- Simplifying emission-based bandings for resident household permits, as set out in paragraph 7.3, to provide a clearer signal and encouragement to switch to lower-emission vehicles
  - Introducing a minimum charge of £25 for a resident's parking permit for any vehicle (other than a powered two-wheel vehicle)
  - Reducing the permitted size of vehicles with resident permits to those weighing no more than 3.5 tonnes
- 2.9 To agree in principle to introduce a £25 supplement for diesel car permits, reflecting their additional contribution to air pollution, with effect from 1<sup>st</sup> October 2018 to give adequate notice and therefore time for owners to change to less polluting vehicles or transport modes.
- 2.10 To note that further research is required regarding the proposal to reduce resident permit entitlement from 3 permits to 2, as set out at paragraph 7.2.

#### Visitor Permit Entitlement:

- 2.11 Dependent on agreement to recommendation 2.4 above (to continue the offer of the Visitor Household permit), to cap the number of visitor permits any household can buy to a maximum of 300 permits p.a., commencing from 1<sup>st</sup> April 2017.

#### Trader Permits:

- 2.12 To develop and introduce a new one-day All Zones trader's permit, allowing a business vehicle to park in any CPZ within Brent for one day.



2.13 To note that a further report detailing and scoping a comprehensive review of the operation of CPZs will come to Cabinet in the autumn.

### 3.0 Background

3.1 The Council regulates and charges for on-street parking to manage demand from residents, businesses and visitors, assist the smooth flow of traffic, and reduce the number of vehicle trips, particularly at peak times. This supports the council's aims of encouraging the uptake of sustainable travel options, reducing air pollution, and reducing the number of people killed and injured on the borough's roads.

3.2 In November 2015, the council agreed its Parking Strategy (see Appendix A). This sets the context within which on-street parking policies and charges are made.

3.3 Demand for parking in Brent is very high, especially within Controlled Parking Zones (CPZs). Over time the Council has introduced a number of measures to control the demand for kerb space. On-street parking in the south-eastern part of the borough, and some areas of the south-west of the borough around Wembley, is managed through Controlled Parking Zones. These areas are more densely developed compared to the northern part of the borough, and have better public transport links. The south-eastern part is well served by Jubilee line and Overground stations in zones 2 and 3, whilst the south-western part is well served by stations on the Jubilee/Metropolitan [Wembley Park], Bakerloo [Wembley Central] and Piccadilly [Alperton and Sudbury Town] lines, and on the National Rail network [Wembley Stadium, Sudbury and Harrow Road].

3.4 There are now 40 Controlled Parking Zones in the borough, which have been gradually introduced over recent years. These contain 33,000 spaces serving 56,000 households. Each household can apply for up to three permits of their own, and can also access unlimited visitor parking. This entitlement is not sustainable. Cabinet received a report in November 2014 which drew particular attention to the issuing of large numbers of visitor permits in CPZ areas, increasing the difficulties faced by residents in parking their own cars (see summary in Appendices B-D). Since then clear evidence has emerged of visitor permits being resold illegally on the open market; several cases are under active investigation by parking and trading standards officers; consideration is now being given to prosecution through the courts.

3.5 In respect of car ownership the 2001 and 2011 Censuses provide information on the pattern of residents' car ownership in the borough, shown in the table below. Although the population of the borough grew, resident car ownership – at just over 86,000 vehicles - remained stable between 2001 and 2011. This was due to the increased proportion of car-free households, a trend common across London as a whole. Future trends in car ownership are hard to predict.

**Table: Household car ownership in Brent**

No. of cars/ vans per household	2001		2011	
	No. of h/h	%	No. of h/h	%
0 (car-free)	37,287	37.3	47,417	43.0
1	42,606	42.6	43,598	39.5
2	16,207	16.2	14,884	13.5
3+	3,891	3.9	4,385	4.0
<b>Total</b>	<b>99,991</b>	<b>100</b>	<b>110,286</b>	<b>100</b>

About 50% of the borough's residents live in CPZs. Car ownership patterns vary greatly by ward. The vast majority of households with 3+ cars live outside of CPZs; permit records show that only around 15% of households with 3+ vehicles are resident within the borough's CPZs.

- 3.6 Car usage makes a significant contribution to the borough's carbon emissions and air pollution. The council is seeking, through its Transport and Parking Strategies, to encourage a greater uptake of more sustainable modes of transport for those journeys. For example, a 5% reduction in visitors travelling by car would equate to over 20,000 fewer return car journeys, and would therefore make a significant contribution to reducing both air pollution and carbon emissions in Brent. Concerns about air quality were expressed by residents in the consultation and many understand the direct relationship with the need for behaviour change regarding car usage.
- 3.7 Following the November 2014 report, which focused mainly on visitor parking charges, the March 2016 Cabinet report proposed a number of changes to the council's wider policies and charging regimes for on-street parking. Cabinet agreed to consider all of these potential changes, subject to consultation with residents. Appendix H summarises the consultation activities undertaken. Appendix I summarised the responses received; and Appendix J sets out the qualitative opinions expressed by participants at focus groups. Over 3,300 questionnaire responses were received directly from over 25,000 parking account holders invited to participate; a response rate of 13%. Additionally, prior to the end of consultation, a box of almost 700 completed paper questionnaires were received from visitors to the Willesden Temple. These have been separately analysed as we were unable to determine whether the views expressed were of visitors to Willesden Temple, or those of Brent residents (see paragraph 10.3). The Temple responses show a very high degree of consistency between the respondents and differ significantly from the larger cohort in places, and this has been highlighted in the report.
- 3.8 Firm recommendations on the proposals are now being made to Cabinet in the light of the outcome of consultation. Each is set out in detail below.
- 3.9 Finally, Cabinet has committed to a programme of reviews of existing CPZs, including the boundaries, time of operation, assessment of the adequacy of Pay & Display and dual-use bays. This programme will need to include a review of the Wembley event day zone. This report does not seek to deal with wider concerns regarding CPZs which will be subject to this further review. A business case is in preparation which will be considered by officers at the June Investment Board, and then reported to Cabinet in the autumn.

## **4.0 Demand-Led Pay & Display Tariffs**

- 4.1 There are currently over 700 Pay & Display machines installed in the borough's CPZs. Pay & Display bays are designated for short stay visits to businesses or homes within CPZs. Pricing policy seeks to ensure that there is a regular turnover of parking spaces. Pay & Display bay charges were last set in 2013. Motorists pay 20p for up to 15 minutes; and then £1 for 30 minutes, £2 for one hour, £4 for 2 hours, £6 for 3 hours, and £8 for 4 hours. Coin payments are charged a 50 pence cash transaction supplement to encourage channel-shift.
- 4.2 The general principle underpinning on-street pay and display parking is to provide a quick turn-over of spaces, allowing easy access for motorists who wish to make short visits to shop or conduct business; and therefore park nearby. If charges are set too low, parking bays will not be freed up and this principle would be undermined.

- 4.3 Within the 2015/16 Budget Report, approved by Cabinet on 15 December 2014, various measures were recommended which were expected to have a significant impact on budget expectations for the Parking service. This included an additional £100k growth in income which was anticipated from an increase in Pay & Display parking charges, focused on areas where excessive demand for spaces might be experienced. However, the proposal was subject to the outcome of a review of demand and usage of Pay & Display bays.
- 4.4 An analysis was undertaken of the potential need to increase Pay & Display charges, to improve the management of parking and traffic. The review was completed and its findings were set out in detail and reported to Cabinet in March 2016. The review concluded that the evidence did not support an increase in pay and display charges at this time. The overwhelming majority of respondents to the recent consultation exercise endorsed this conclusion. It is recommended that pay and display charges are not increased at this time.

## 5.0 Visitor Household Permits

- 5.1 The council currently offers a Visitor Household permit to residents. This is a paper permit which displays the name of the resident's street. It allows visitors to park in any resident or shared use bay, but only in the named street (or part of the street) within the Controlled Parking Zone shown on the permit. The permit may be displayed on any vehicle, regardless of engine size or ownership. Each household may only hold one Visitor Household permit, which is currently priced at £110. Almost 4,000 Visitor Household permits are in use, with the associated income making a substantial contribution to the cost of managing and enforcing Controlled Parking Zones.
- 5.2 In September 2012 the council agreed in principle that the annual Visitor Household permit should be withdrawn. The concern expressed then was that its relatively low cost could create an incentive for some residents to purchase a Visitor Household permit for a vehicle of their own, to avoid the higher cost of a resident's permit. The prevalence of this practice is not known but anecdotal evidence suggests that a very small minority may be abusing the permit. An increase in the cost of the Visitor Household permit could substantially mitigate this risk (see paragraphs 5.9 and 5.10 below) by limiting the cost difference between this permit and resident permits to the 10% of vehicles in the proposed High emission charge band.
- 5.3 The Executive recognised that parking provision for visitors was a key concern for residents who require personal support or care. Any withdrawal of the Visitor Household permit was therefore explicitly linked to ensuring that such residents would not be disadvantaged, and officers were asked to develop an alternative visitor permit to meet their needs. This was a complex proposition which had taken time to bring forward.
- 5.4 Residents requiring formal care for *critical* or *substantial* needs can have their formal carers' parking needs met through the council's Essential User Permit scheme. This is provided to public and voluntary sector staff who provide care to residents in CPZs. Nonetheless, many residents with critical or substantial needs do also receive informal care and support, often from friends or family members who would not qualify for an Essential User Permit. In addition, all residents with *moderate*, *low*, or unknown care needs are entirely dependent on informal care and support.
- 5.5 Many residents understandably use their Visitor Household permit to ensure that people providing them with care or support can park when making a visit.

- 5.6 In March 2016 the Cabinet agreed to consult on replacing the Visitor Household permit with a proposed new Care and Support permit, with a specific condition that the permit should only be used for that purpose. It was noted that resources to police the use of the proposed permit would necessarily be limited.
- 5.7 The consultation responses showed that 61% of respondents opposed the withdrawal of the Visitor Household permit, with only 27% in favour. Similarly, the Willesden Temple responses were also opposed to the withdrawal. Concerns were expressed that some residents genuinely in need of care and support might be deterred from applying for the proposed new permit, for example by the new restrictions on usage. Other respondents commented that the Visitor Household permit was helpful to residents in ensuring that visiting building trades and logistics vehicles could park nearby.
- 5.8 Given the clear popularity of the current permit, and concerns regarding any alternative for people needing care and support, it is proposed that the existing Visitor Household permit should be retained. This would maximise its potential use to meet informal care and support needs, provide access to customers' households for business vehicles, and would appear to be the strong preference of residents within CPZs.
- 5.9 However, it is also proposed to increase the cost of the Visitor Household permit to better align it with the cost of resident permits. This would also ensure a consistent approach is taken with the new price structure for individual visitor permits, seeking to manage the demand for parking spaces by visitors. In order to avoid the risk of disproportionately affecting those CPZ residents who receive care, the increase in price of Visitor Household permits would be less than the increase in price of daily visitor permits. It is proposed that the annual cost of a Visitor Household permit would increase, from the level set: £108 in 2013; £109 in 2014; £110 in 2015; to £163 in 2016/17. The £163 charge is the same as the highest cost resident permit for vehicles in the proposed Standard emissions band. This is a lower level of price increase than that applied to visitor vouchers for visits of more than 2 hours. The Visitor Household permit would continue to provide good value to residents receiving at least one regular visitor per week on average. £163 would be equivalent to 55 four-hour visitor permits costing £3 each; or 109 two hour permits costing £1.50 each. This level of pricing would also substantially reduce the risk of potential abuse of the scheme – only permits for resident vehicles in the High emissions band would be more expensive. This narrowing of potential abuse would also assist in targeting audit and enforcement activity. Finally, the proportionately lower increase for Visitor Household permits would deliver an administrative efficiency by providing an incentive for residents to switch to this product instead of making repeated purchases of daily visitor vouchers.
- 5.10 To align the scheme with resident permits, it is also proposed to make future annual adjustments to the price of this permit on 1 April each year, to ensure the cost continues to be identical to that for a third Resident's permit for vehicles in the Standard carbon emission charge band (see Appendix E).

## **6.0 Visitor Parking Pricing Scheme**

- 6.1 Daily visitor parking permits allow residents who live in Controlled Parking Zones to receive visitors during a Zone's operational hours; there is no limit on the numbers which can be purchased. Daily visitor parking permits are currently priced at £1.50 per day. This price has not increased since 2013 when virtual permits replaced the former scratch card system.
- 6.2 Residents can book a parking session for their visitor online, over the telephone or by text message, providing they have a parking account. In 2014/15 residents booked just over 411,000 visitor parking sessions; in 2015/16 bookings increased to more than 451,000.

- 6.3 A proposal to increase daily visitor parking charges to better manage demand was endorsed by Cabinet in the December 2014 budget report; the report demonstrated that the price of visitor parking was markedly cheaper in Brent compared to neighbouring boroughs; and that an increase in the tariff would help control levels of demand.
- 6.4 In November 2015, Members received a detailed report on visitor parking charges. Cabinet took a decision to link the cost of visitor parking to the cost of public transport to encourage people to consider swapping to more sustainable modes of transport. The cheapest return fare on public transport is £3; and the capped cost of bus fares for a single day is £4.50. Cabinet also agreed to a single pricing structure borough-wide to ensure fair pricing for less well-off residents living in high demand areas. A full analysis of the relevant issues taken into account in arriving at these decisions was contained within the [16th November 2015 Cabinet report](#). Excerpts from the report are attached as Appendices B-D.
- 6.5 These proposals were further refined in the [14th March 2016 Cabinet report](#). The report made a revised proposal to retain the current £1.50 charge for visitor parking permits of up to 2 hours duration. This would freeze the cost for short term visitors at the current rate, with the aim of encouraging a reduction in the amount of time vehicles are parked on-street. Additional 2 hour bookings could be made to extend a visitor parking stay, but for any stays of more than 4 hours duration a single payment of £4.50 for an all-day permit would offer better value.
- 6.6 The council's Parking Strategy states that charges should be reviewed regularly to ensure that they are consistent with charges made in other boroughs. Brent's Controlled Parking Zones are located in two distinct parts of the borough. The majority are in the south east of the borough, which borders Westminster, Kensington & Chelsea, Hammersmith & Fulham, Camden, Ealing and Barnet. The remainder are largely in the south west of Brent, closer to Ealing than any other borough.
- 6.7 Cabinet has previously sought to align charges in Brent close to the level set by its outer London partner authorities, LB Ealing and LB Hounslow, rather than the high charges common in inner London. Cabinet has also taken the view that pressures on parking demand in Brent's CPZs are significantly more intense than in outer boroughs on the edge of London, such as Harrow and Barnet. The table below sets out the prices of daily visitor parking permits in all neighbouring boroughs, alongside current proposals for Brent. The most expensive charging regimes are at the head of the table; least expensive at the foot.

Borough	Products Offered	2 Hours	4 Hours	All Day
<b>Westminster</b>	Pay and Display only. 4 hour max stay*	£3.40- £9.80	£6.80- £19.60	N/A
<b>Kensington &amp; Chelsea</b>	Pay and Display only. 4 hour max stay*	£2.40- £9.20	£4.80- £18.40	N/A
<b>Hammersmith &amp; Fulham</b>	Hourly charge	£3.60	£7.20	£14.40**
<b>Camden</b>	Hourly charge, with all day cap	£1.92	£3.84	£6.49
<b>Hounslow</b>	Hourly charge	£1.50	£3.00	£6.00**
<b>Brent (proposed)</b>	2 hour, 4 hour and all day	£1.50	£3.00	£4.50
<b>Ealing</b>	Hourly charge, with all	£1.20	£2.40	£4.50

	day cap			
<b>Harrow</b>	All day	£1.69	£1.69	£1.69
<b>Brent (current)</b>	All day	£1.50	£1.50	£1.50
<b>Barnet</b>	All day	£1.00	£1.00	£1.00

\* Max stay limits vary across these boroughs

\*\* Do not offer an all-day visitor permit. Price is based on the cheapest cost of an 8 hour booking

- 6.8 As anticipated, consultation respondents expressed a majority view against increasing the price of visitor permits, although over a quarter did favour the increase (67% opposed; 26% in favour). Almost 3,300 responses were received. The Willesden Temple responses were against raising prices. At the focus group discussions, concerns were expressed about the imbalance between the supply of parking spaces in the borough and the current demand amongst residents and visitors. It was felt this should be a priority for the Council to address. Other respondents were not convinced that the proposals would protect the environment or solve identified parking problems. It was also suggested that if parking charges had to increase this should be done incrementally.
- 6.9 When taken together, the quantitative and qualitative results paint a mixed picture, although the level of opposition to the proposed price changes was less than expected. In line with the council's previously agreed policy position, strong weight does need to be given to the traffic management, carbon reduction and public health (air pollution) considerations. In light of: the mixed feedback received; the continued growth in visitor parking bookings; and the proposal to retain the Visitor Household permit; there continues to be a pressing need to tackle the severe pressure on demand for parking space in the borough. It is therefore proposed to implement the revised pricing structure as set out in the March 2016 Cabinet report (referred to in paragraph 6.5 above). The proposed new charging regime for visitor permits would require a change to be made to the terms and conditions of visitor permits. Formal consultation on the corresponding amendment to the relevant Traffic Management Order would therefore be required. It is proposed to delegate the final decision, following formal consultation on the TMOs, to the Strategic Director Regeneration & Environment, in consultation with the Lead Member for Environment. A target date of 1<sup>st</sup> October 2016 is proposed for implementation of the changes to visitor parking permit charges.

#### Cap on Visitor Permits

- 6.10 The March 2016 Cabinet report also proposed introducing a financial cap of £350 on the value of visitor permits which any household could purchase. 49% of respondents opposed this approach to capping visitor permit bookings; 39% were in favour. Many respondents to the consultation felt that a cap imposed on residents by the council would not be appropriate; others agreed with the principle but not the mechanism.
- 6.11 Further research has been conducted on the pattern of visitor permit bookings, in the light of residents' feedback. This has identified that a disproportionate number of visitor bookings are made by a very small number of households. In 2015/16, 6.3% of all visitor permit bookings were made by just 64 households, who each made more than 300 bookings. In the light of the proposal to continue to offer the Visitor Household permit to cover regular visits to most households, it is considered reasonable to introduce a high level cap on individual bookings. This would impact on very few households, but would contribute to reducing demand for space. It is therefore proposed to introduce a maximum annual cap of 300 bookings per household, commencing from 1st April 2017, instead of the £350 financial

cap originally proposed. This approach will also enable targeted investigation of potential fraud.

## 7.0 Resident Parking Permits

- 7.1 Parking permits are available to residents in CPZs for their own cars, subject to proof of ownership.
- 7.2 Permit Application Restrictions: All of the 56,000 households (houses and individual flats) located in CPZs are currently entitled to purchase up to three resident permits. This can be contrasted with the 33,000 spaces available within CPZs. Limiting the number of permits available per household would reduce demand for on-street parking space. There are about 600 'three permit' households within CPZs. Residents were consulted on a proposal to reduce the maximum number of resident permits issued to a household down to two. Responses to the consultation were 56% in favour of reducing permit entitlement to 2 vehicles, and 37% against. The Willesden Temple responses were against the reduction. Focus groups supported this proposal on balance, although anxiety was expressed that: there could be a further loss of front gardens to accommodate vehicles; and that larger families, and those with grown up children living at home, would be unfairly penalised. People also asked for time to adjust if a new restriction was to be implemented. It is therefore proposed to agree this change in principle, in line with public support, but delay the target date for implementation until 01<sup>st</sup> April 2017. This will enable further work to be undertaken on the equalities impact on the 600 affected households and consideration of mitigation measures.
- 7.3 Consolidation of Carbon Emission Bands: Resident parking permits currently cost up to £302 (see price schedule attached as Appendix G). The council's emissions-based resident permit scheme currently has 7 categories of vehicle, linked to data held by the DVLA. It is considered that the high number of categories provides a lack of clarity in steering motorists to choose vehicles which produce a lower level of carbon emissions. Marginal differences in permit costs provide little incentive to change. In comparison, a recent survey of London motorists concluded that the average annual cost of car ownership in the capital was over £3,400 p.a., much greater than the cost of differences in resident permit prices. In order to provide more clarity in 'nudging' vehicle owners towards low emission vehicles, the consultation asked whether there was support for simplifying the emissions based permit charges to just 3 categories - for *low emissions* (less than 110 gCO<sub>2</sub>/km, *standard emissions* (110-200 gCO<sub>2</sub>/km) and *high emissions* (more than 200 gCO<sub>2</sub>/km) vehicles.
- 7.4 Very few comments were received on this proposal, but 44% of respondents favoured the change; with 30% against. 57% of Willesden Temple respondents were opposed, with 42% neutral on the proposals. The council is aware of residents' concerns regarding air pollution which is a growing, London-wide issue. On balance, it is proposed that this change be implemented from April 2017. Across the board, the proposal has been designed to be revenue-neutral. For vehicles in Bands 1 and 7 of the current system, this reform would have no impact on permit prices (although Band 1 vehicles would be affected by the introduction of a minimum charge – see para 7.5 below). Vehicles in Band 6 of the scheme (201-240 gCO<sub>2</sub>/km) would see an increase in their permit price, as they would move into the new 'high emission' band with the current Band 7. For vehicles in Bands 2-5, it is proposed to standardise permit charges at the current Band 3 level. Of these, only Band 2 vehicles (20% of these vehicles) would see an increase in charges; 80% of vehicle owners in these four Bands would see a reduction in the cost of their permit or no change. (See Appendix E).

7.5 Minimum Charge: Consultation focused on a proposal to introduce a minimum permit charge of £25. All motor vehicles contribute to carbon emissions; the administrative cost for issuing a permit does need to be covered; and all vehicles take up on-street parking spaces and benefit from CPZ management. This proposal received a majority of responses in support, and is now recommended for introduction from 1<sup>st</sup> April 2017. 46% of respondents supported this proposal; 40% were opposed. The Willesden Temple responses were opposed to the minimum permit charge.

7.6 Diesel Surcharge: Residents' views were sought on whether an additional surcharge of £25 should be levied on diesel powered vehicles, given concerns about NO<sub>x</sub> and particulate emissions. The previous report to Cabinet advised:

*Evidence shows that fine and ultra-fine particulate matter present in air pollution increases the risk of cardiovascular morbidity and mortality. Conventional vehicles are responsible for 41% to 60% of air pollutants in the UK, which have an impact on cardiovascular and respiratory diseases. To manage air quality, the government has set national air quality objectives, which have been put in place to protect people's health. Where a local authority finds any places where these objectives are not likely to be achieved, it must declare an Air Quality Management Area there. This could be just one or two streets, or a much bigger area. A map showing the Air Quality Management Areas within Brent is attached at Appendix [F]; these areas closely relate to the parts of the borough covered by CPZs.*

7.7 Diesel emissions have recently featured in a number of high profile news stories. It is now known that emissions from diesel vehicles under normal driving conditions can be considerably higher than those measured by tests. In addition, two leading international car manufacturers have been discovered to have altered test results. High levels of emissions from diesel vehicles in UK urban areas are estimated to cause more than 20,000 additional deaths per year. However, many respondents to the consultation expressed concerns that until recently advice at a national level had sought to persuade motorists to switch to diesel vehicles to reduce their carbon emissions; several commented that it was unfair that an additional charge should be levied as they had acted in good faith. 47% of respondents opposed this proposal; with 39% in favour. The Willesden Temple responses were opposed to the diesel surcharge. Overall, those opposed felt it would be unfair to introduce this surcharge given previous encouragement by central government. At the very least, residents argued that implementation should be at a later date.

7.8 Given the clear evidence of health impact, it is proposed that Cabinet agrees in principle to the introduction of a £25 diesel surcharge to give a clear signal to motorists, but subject to a report presented to Cabinet in two years' time, allowing residents time to adjust to an implementation date of 1<sup>st</sup> October 2018.

7.9 Vehicle Size: Residents were consulted on a proposed reduction in the size of vehicles eligible for a residents parking permit. Currently the council restricts permits to vehicles with a maximum weight of 5 tonnes (weight is used as a proxy for size to facilitate access to accurate vehicle data). It was suggested that this limit could be reduced to the same as that set by the neighbouring borough of LB Camden, where the maximum weight allowed is 3.5 tonnes. This proposal was supported by an overwhelming majority of respondents to the consultation and this change is therefore recommended for introduction from 1<sup>st</sup> April 2017.

## 8.0 School Parking Permits

8.1 Parking pressure experienced by residents in close proximity to schools continues to be an issue, particularly during the morning drop-off and evening pick-up times when parents and carers often park indiscriminately. This causes congestion and also has safety implications



for pupils, school staff and visitors. In September 2012 the then Executive agreed a recommendation to phase out the special permit for teachers which had been introduced to assist schools in CPZs with recruitment and retention difficulties. A temporary concession was given to allow renewal up to September 2016 after which time all school permits were intended to cease.

- 8.2 This policy has been reviewed in light of a number of concerns. There is a need for further school places within the borough and a school expansion programme is under way. There is often no additional land and school expansions are being accommodated within existing footprints. As a result the amount of space to provide off street parking for staff is not always achievable, and there is a risk schools may not engage with the expansion programme if parking spaces are lost and no alternative is available.
- 8.3 Schools in the more deprived wards, where the majority of CPZs are located, believe their recruitment of teaching staff will suffer compared with schools which have on-site car parks and/or are not in CPZs. Teacher recruitment is an ongoing issue for primary schools across London, with this in mind consideration has been given to approving options that allow the purchase of permits.
- 8.4 Experience has shown that complaints from residents about the parking and driving behaviour of parents and carers greatly outweigh any concerns expressed about school staff parking on-street.
- 8.5 An alternative policy framework has therefore been developed to:
- Recognise the need to treat schools no less favourably than local businesses by allowing schools to purchase up to 3 business permits for allocation to staff.
  - Provide an incentive for schools to actively engage or remain engaged in travel planning to reduce the school sites' overall demand for car parking spaces
  - Provide increased incentives for schools to achieve higher levels of travel accreditation, thereby further reducing parking demand.
  - Ensure that residents' interests are also protected by minimising the on-street parking demands made by schools.
  - Assist in teacher recruitment and retention, through schools being able to offer support to key staff who need to travel by car to the workplace in a managed way.
- 8.6 Currently all businesses in CPZ areas are entitled to three business permits. In addition, more schools are coming forward as Free Schools and Academies operating on a business model, and therefore entitled to business permits. In order to provide equity it is proposed to allow all schools located within CPZs to purchase up to 3 business permits for staff at the same price, terms and conditions as local businesses. These permits will be restricted to the CPZ within which the school is located.
- 8.7 The council actively encourages all schools to produce a School Travel Plan (STP) which includes information about the school and pupil & staff modes of travel. STPs are aimed at reducing car use and must include a measurable action plan outlining the actions that the school intends to take to meet its targets and objectives. More information on the benefits of School Travel Plans is included in Appendix G.
- 8.8 There are three levels of independent accreditation for school travel plans: bronze; silver; and gold. These are awarded in accordance with the activities undertaken, evidence provided and the commitment displayed by the school to reduce congestion and pollution utilising modal shift targets for pupils and staff. Currently, 34 Brent schools have a travel plan approved by TfL of which 17 have a bronze accreditation, 3 silver, and 14 gold. These

schools are actively reducing the proportion of children and staff who travel to school by car. This achievement could be jeopardised if the incentive of obtaining parking permits for key school staff is removed. Any reduction in the number of schools with travel plans could have the negative outcome of increasing parking and road safety problems in the vicinity of schools.

- 8.9 To provide an incentive for schools to seek travel plan accreditation, it is proposed to allow all schools in CPZs with accredited STPs to also purchase additional school permits for staff. Schools with bronze accreditation would be allowed three additional permits; schools with silver, six; and schools with gold accreditation, nine. School permits would be a new permit offering a 25% discount on the price of business permits, recognising that staff only require parking space near the school during term time. Terms and conditions would be based on the Essential User Permit available to care and health staff, rather than the business permit model.
- 8.10 Consultation responses were overwhelmingly in favour of the proposals set out above. Participants in the focus groups did not feel that the proposed scheme would have a significant detrimental impact on parking for residents and their visitors. Respondents confirmed the view that parent parking is the main concern, rather than school staff.
- 8.11 However, more generally, the council is aware of residents' concerns about the effectiveness of travel plans in managing issues relating to pick up and drop off at schools. A policy on traffic management around schools is being developed for consideration at a future Cabinet meeting.

## **9.0 Parking Support for Traders**

- 9.1 Currently residents can book visitor permits for smaller trade vehicles occupying a single bay, or allow such vehicles to use their Visitor Household permit. Larger vehicles are required to apply for a bay suspension for which a charge is levied. New proposals for how the parking needs of traders, particularly businesses based in Brent, could be met were put forward in the recent consultation exercise. There was strong support for the principle that the parking needs of traders working in CPZs should be considered.
- 9.2 In particular, a proposal to introduce an 'all zones' CPZ permit for traders was strongly supported in the consultation. This could allow traders to attend several jobs in a single day across the borough with minimum administration, and with control in the hands of the trader, rather than relying on residents' access to parking accounts. It is proposed that a permit along these lines be developed with the involvement of local businesses and offered at a price: affordable to businesses; but sufficient to deter purchase by commuters.

## **10.0 Consultation**

- 10.1 A wide range of consultation methods were employed to consult stakeholders on the proposals outlined in the March 2014 Cabinet report including:
- 25,698 letters and 24,345 emails sent to all CPZ residents who had a parking account
  - A briefing session for Resident Associations (and residents) located in CPZs
  - Press release and consultation proposals went live at launch of online survey.
  - Parking officers attended all relevant Brent Connects Forums
  - A Web survey – over 3,300 responses were received
  - Brent Website featured the consultation on the home page with a running banner.
  - Respondents could request a paper questionnaire and pre-paid reply envelope
  - Paper copies of the consultation were made available at customer services desk

- Facebook and Twitter information were regularly updated
- Information provided in two successive editions of 'Your Brent' with 33k circulation
- Brent & Kilburn Times initiated article on 4<sup>th</sup> May edition
- A letter emailed to all head-teachers of schools in CPZs
- Assisted consultation responses from Disability & Politics User group at Brent Mencap
- Three Focus Group sessions organised for stakeholders to collect qualitative input
- A letter and email to all businesses with parking accounts

10.2 A summary of consultation responses is attached as Appendix I. The report of the focus group discussions is attached as Appendix J.

10.3 Before the close of consultation a box containing 688 completed paper questionnaires were received, marked as Willesden Temple. These have been separately analysed, as the equalities section of the survey was not completed; and so we were unable to determine whether the views expressed were of visitors to Willesden Temple or Brent residents. An analysis of the Willesden Temple responses is attached as Appendix K.

## 11.0 Legal Implications

### Pay & Display - Legal Implications

11.1 Although the Mayor of London's Transport Strategy has now superseded the earlier Traffic Management and Parking Guidance (TMPG) for London, the boroughs continue to rely on the TMPG document as an authoritative interpretation of the legal framework. It advises:

*"(2.23) The level of parking charges must be set for traffic management reasons, such as to ration available space and ensure that there is a rapid turnover of parking spaces, rather than to maximise revenue. This is because section 122 of the Road Traffic Regulation Act 1984 does not include the maximisation of revenue from parking charges as one of the relevant considerations to be taken into account in securing the safe, expeditious and convenient movement of traffic".*

11.2 Whilst it is reasonable for a Council to take due regard of estimated costs and income arising from the management of parking, it is not lawful for a local authority to use the Road Traffic Regulation Act 1984 to justify imposing charges to raise revenue.

11.3 Following the review, there is insufficient evidence to support a price increase on traffic management grounds.

### Visitor Parking Pricing Scheme - Legal Implications

11.4 Under section 45 of the Road Traffic Regulation Act 1984 (RTRA 1984), a local authority has powers to designate parking places on the highway, to charge for use of them, and to issue parking permits for a charge.

11.5 Section 55 of the RTRA 1984 makes provision for the monies raised under section 45 of the RTRA 1984, in that it provides for the creation of a ring-fenced account (the SPA – Special Parking Account) into which monies raised through the operation of parking places must be placed, and for the application of any surplus funds. Any surplus generated is appropriated into the Council's General Fund at the year end and can be spent on matters defined in section 55(4) of the RTRA 1984 Act (mainly transport and highways matters, which are listed in the Act).

11.6 Section 122 of the RTRA 1984 imposes a general duty on local authorities when exercising functions under the RTRA. It provides, insofar as is material, as follows:

*"(1) It shall be the duty of every local authority upon whom functions are conferred by or under this Act, so to exercise the functions conferred on them by this Act as (so far as practicable having regard to the matters specified in subsection (2) below) to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway...*

*(2) The matters referred to in subsection (1) above as being specified in this subsection are—*

*(a) the desirability of securing and maintaining reasonable access to premises;*

*(b) the effect on the amenities of any locality affected and (without prejudice to the generality of this paragraph) the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas through which the roads run;*

*(bb) the strategy prepared under section 80 of the Environment Act 1995 (national air quality strategy);*

*(c) the importance of facilitating the passage of public service vehicles;*

*(d) any other matters appearing to the local authority to be relevant"*

11.7 Although the Mayor of London's Transport Strategy has now superseded earlier Traffic Management and Parking Guidance (TMPG) for London, the boroughs continue to rely on the TMPG document as an authoritative interpretation of the legal framework. It advises:

*"(2.23) The level of parking charges must be set for traffic management reasons, such as to ration available space and ensure that there is a rapid turnover of parking spaces, rather than to maximise revenue. This is because section 122 of the Road Traffic Regulation Act 1984 does not include the maximisation of revenue from parking charges as one of the relevant considerations to be taken into account in securing the safe, expeditious and convenient movement of traffic".*

11.8 This interpretation of the RTRA 1984, in the context of on-street charges, is widely accepted. Case law supports the view that the Act's purpose is not revenue-raising and this is set out in the judgements in the cases of *R (on the application of Cran) v LB Camden [1995]* and *R (on the application of Attfield) v London Borough of Barnet [2013]*. The British Parking Association's Parking Practice Notes "1 - Charging for Parking" (Revised August 2011) emphasises this point by quoting the Camden judgement, saying that the RTRA 1984:

*"...is not a fiscal measure. It contains no provision which suggests that parliament intended to authorise a council to raise income by using its powers to designate parking places on the highway and to charge for their use".*

In the *Attfield v Barnet* case, the Court ruled that the RTRA 1984 did not authorise a local authority to use its powers to charge for parking in order to: raise surplus revenue for other transport purposes funded by the Council's general fund; to defray other road transport expenditure; and reduce the need to raise income from other sources, such as fines, charges and council tax.

11.9 Should the revision to visitor parking charges be approved for implementation, this would require the amendment of the existing Traffic Management Order (TMO) under the Road Traffic Regulation Act 1984.

## 12.0 Financial Implications

### Pay & Display - Financial Implications

- 12.1 The December 2014 budget report assumed that an increase in visitor parking charges would lead to an increase in income of £795k p.a. from 2016/17, and that an additional £100k p.a. would be derived from the introduction of demand-led pay & display charges. This was expected to result in additional income of £895k in 2016/17 and subsequent years.
- 12.2 If the recommendation not to proceed with increasing Pay & Display bay charges is agreed the £100k additional income p.a. assumed in the December 2014 Budget report would not be achieved. However, it is anticipated that additional net income would be generated by the proposed increase in charges for visitor permits, together with additional enforcement income which would make up the shortfall. No change in budget assumptions for 2017/18 onwards would therefore be required if the coherent package of recommendations made in this report are agreed for consultation.

### Visitor Parking Pricing Scheme - Financial Implications

- 12.3 The table below forecasts the total income which would be generated by agreeing the proposed increases set out in this paper. The forecast assumes a baseline level of demand derived from the 2015 calendar year, and an overall reduction in demand (see Appendix K).

Option Description	Product Split	Transaction Volumes	Forecast Income	Increase
Current: £1.50 All day	N/A	451,119	£676,679	-
Proposed: £4.50/£3.00/£1.50 for: All day   4 Hours   2 hours; with associated demand reductions	40%   30%   30%	451,119	£1,309,188	£632,509

For budget planning purposes, the estimated increase in net visitor parking income is £632k p.a. as shown in the table above. It is anticipated that the proposed price increase for Visitor Household permits (see section 5) would increase income by an estimated additional £218k. In total therefore net income could be expected to increase by £850k p.a. This is a shortfall of £45k compared to the income anticipated in the December 2014 Budget report. However, this shortfall could be closed by 2017/18 through efficiency savings and additional enforcement income. No change would therefore be required to budget planning assumptions from 2017/18 onwards.

- 12.4 If the target date for implementation of 1<sup>st</sup> October 2016 is met, the estimated additional income would be limited to £425k in 2016/17, resulting in a budget pressure of £470k from the total income of £895k from charge increases assumed in the December 2014 budget report. The budget pressure will need to be managed and closely monitored.
- 12.5 The financial forecast does not factor in the possibility of customers stockpiling the current all day £1.50 permit prior to the price increase taking effect. This would have the effect of increasing visitor parking sales in the immediate short term, but lead to a reduction in sales in the following period. It may be possible to mitigate the impact of stockpiling, however.
- 12.6 Charges for parking are designed to help regulate demand for the limited spaces available and to improve the flow of traffic in the borough. As in many other areas of local authorities' activities, an estimate of the financial impact of changes in pricing policy - in this case an increase in the income likely to be raised - needs to be made, in order to ensure that the

budget reflects the requirement to use such income to fund matters which are listed and set out in section 55(4) of the Road Traffic Regulation Act 1984. Brent invests considerably more in funding such costs than the total income that it raises from parking charges. In 2014/15, the £8.957m surplus on the parking account was used to cover the revenue cost of the Transportation service (£2.091m) and make a contribution of £6.866m to the cost of concessionary fares – this covered less than half of the total expenditure incurred by the Council on concessionary fares (£15.913m in 2014/15).

#### Visitor Household Permits - Financial Implications

- 12.7 For budget planning purposes, replacing the Visitor Household permit (at a cost of £110 p.a.) with a new Carer's permit (costing £163 p.a.) could be expected to result in an increase in income of £218k.

#### Resident Permit proposals – Financial Implications

- 12.8 If the proposal to reduce permit entitlement from 3 vehicles to 2 is implemented, there could be a loss of permit income to the parking account of about £100k. This may be mitigated if sales of Visitor Household permits increase to cover additional visitor parking.
- 12.9 There would be no net impact from the proposals to consolidate the emissions-based permit scheme from 7 bands to 3, and the introduction of a minimum annual charge of £25 for permits, provided both of these proposals are agreed together.

#### School Permits - Financial Implications

- 12.10 The current level of income arising from issuing school parking permits is £28,000 per annum.
- 12.11 The maximum number of permits which might be issued to the 43 schools located within CPZs would be 240. This could potentially provide an income of £59,000 p.a. to contribute to the cost of managing and enforcing CPZs. If a more realistic 50% uptake is achieved this would result in approximately 120 permits issued to schools, which would generate gross receipts of approximately £29,500 and net revenue of £25,500. This is close to the level of current receipts from permit sales to schools. This would help to provide a balanced budget from which to continue to cover the cost of maintaining and enforcing the Council's CPZs.
- 12.12 The new permit, as existing permits are, will be subject to annual adjustment on 1 April based on the most recent available Retail Prices Index (RPI) data published by the Office for National Statistics, and rounded to the nearest pound. This will be the January RPI figure, which is published on 20 February each year.
- 12.13 There will be miscellaneous costs in introducing the new permit, subject to approval, which can be met from the existing parking budget.

### **13.0 Diversity Implications**

The associate Equalities Analysis has focused on two specific issues: those relating to the Visitor Household permit; and the proposal to reduce household entitlement to resident permits from 3 to 2.

## Visitor Household Permit - Diversity Implications

- 13.1 S149 of the Equality Act 2010 requires the Council to have due regard to the need to eliminate discrimination, and advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. An Equality Analysis of the proposals was undertaken and included in the 16<sup>th</sup> November 2015 report agreed by Cabinet.
- 13.2 Cabinet was concerned that an increase in visitor parking charges could potentially affect those residents who live in CPZs and receive visitors who provide them with care or support. This may be particularly relevant to elderly residents, or those with disabilities. However two measures are already in place which will mitigate against this impact: the Essential User Permit; and the Visitor Household permit.
- 13.3 The Essential User Permit is issued by the Council to charitable and public sector organisations which provide essential services including formal residential and community care to people who live or work in Controlled Parking Zones. Residents who receive care visits from an Essential User Permit holder will be unaffected by the proposal to increase visitor parking charges.
- 13.4 The Visitor Household permit would continue to offer a significantly cheaper alternative to daily visitor permits for those residents who receive regular visitors to their property. Residents who purchase this permit would be affected to a lesser extent than other residents by the proportionately lower increase in the cost of this permit compared to other visitor permit bookings for visits of more than 2 hours. The purchase of this permit by those residents who receive care or support visits means that they would not be disproportionately affected by the proposals to increase visitor parking charges.
- 13.5 Resident permit restriction: The proposal to restrict the purchase of resident permits to 2 permits per household from the current entitlement of 3 is aimed at enabling the Council to better control demand for kerbside parking space within CPZs, to encourage take up of more sustainable modes of transport to improve air quality and reduce carbon emissions. An analysis using data from parking account holders indicates that approximately 600 households would potentially be affected by the proposed restriction. (See Equalities Analysis attached as Appendix M).

## **Background Papers**

19<sup>th</sup> September 2012 Executive report – Parking service simplification and pricing  
15<sup>th</sup> July 2013 Executive report – Statutory consultation on proposed changes to parking tariffs, charges and permits  
15<sup>th</sup> December 2014 Cabinet report – Budget 2015/16 and 2016/17  
[16th November 2015 Cabinet report](#) – Visitor Parking Charges  
[14th March 2016 Cabinet report](#) – On-Street Parking Service Offer and Charges in Controlled Parking Zones

2015 Parking Strategy  
2016 Long Term Transport Strategy

## **Appendices**

Appendix A – 2015 Parking Strategy: Policy and Operational Objectives  
Appendix B – Excerpt from November 2015 report on visitor parking bookings  
Appendix C - Average visitor parking bookings per household, per CPZ  
Appendix D – Vehicles with 100+ visitor parking bookings by CPZ  
Appendix E – Consolidation of resident permit price bands  
Appendix F - Air Quality Management Areas within Brent  
Appendix G – School Travel Plan Objectives  
Appendix H - Parking Consultation Activities  
Appendix I – Consultation responses  
Appendix J – Focus Groups report  
Appendix K – Willesden Temple consultation responses  
Appendix L - Assumptions made in financial modelling  
Appendix M – Permit Restriction Equalities Analysis

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## **Appendix A – 2015 Parking Strategy: Policy and Operational Objectives**

### **Policy objectives**

The Council seeks:

- To improve the safety of all road users.
- To provide affordable parking spaces in appropriate locations to promote and serve the needs of the local economy.
- To assist in providing a choice of travel mode and enable motorists to switch from unnecessary car journeys, to reduce traffic congestion, carbon emissions and pollution.
- To promote carbon reduction and improved air quality by encouraging the use of vehicles with lower emission levels
- To support local businesses by facilitating effective loading and unloading, and providing allocated parking where appropriate.
- To provide the right balance between long, medium and short stay spaces in particular locations
- To achieve a turnover of available parking space in shopping and commercial areas, to maximise business activity and promote economic growth
- To assist the smooth flow of traffic and reduce traffic congestion.
- To enable residents to park near their homes.
- To facilitate visitor parking, especially by those visiting residents with personal care needs.
- To assist disabled people with their parking needs, and enhance their access to local shops and key amenities
- To prioritise parking controls to support the needs of local residents and businesses over event traffic.

### **Operational objectives**

The Council aims:

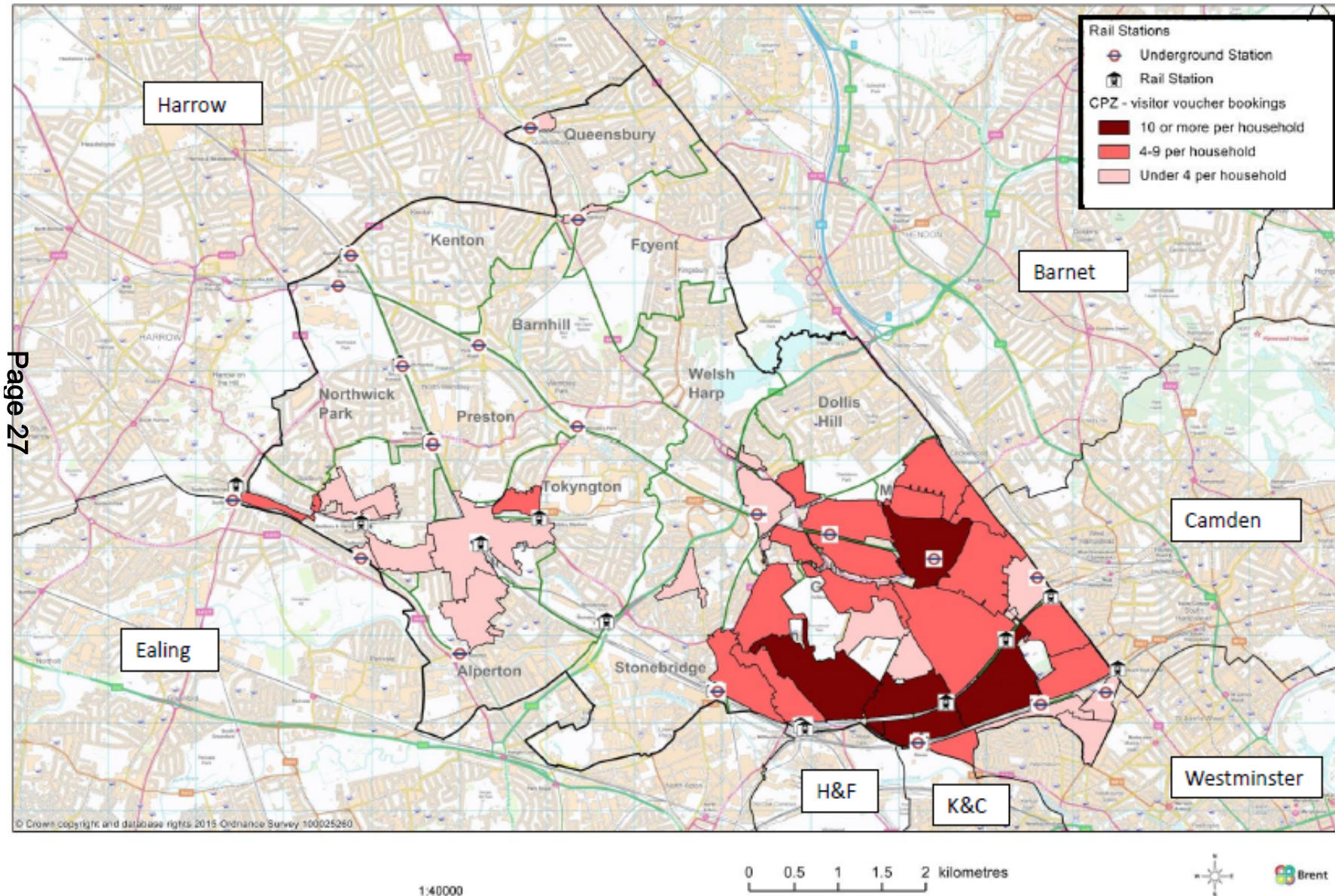
- To set a level of charges which balances demand and supply for parking spaces across the borough.
- To provide an efficient service which constantly seeks to improve.
- To be fair, consistent and transparent in our dealings with customers.
- To publish clear statistical and financial information on a regular basis.

## **Appendix B**

### **Visitor Parking Usage**

- 3.13 *It might be expected that the overall level of visitor permit usage would be generally level across the borough. That is not the case. The highest usage of daily visitor parking permits in Brent tends to be in the Controlled Parking Zones in the south-east of the borough, in particular those CPZs closest to central London. In contrast the lowest usage tends to be in CPZs to the west of the borough. Appendix [C] shows a map of Brent and highlights the average number of visitor parking bookings per household per CPZ in 2014/15. The map shows that the highest average bookings per household are in CPZs close to the borders with Westminster, Camden, Kensington & Chelsea and Hammersmith & Fulham (Kensal Green, Queens Park, Mapesbury, Brondesbury Park and Harlesden wards); and CPZs close to Willesden Green station (Willesden Green, and Dudden Hill wards).*
- 3.14 *Analysis of visitor parking transaction data in 2014/15 also highlights evidence of commuter parking. 80 vehicles had 150 or more booked visitor parking sessions in the year 2014/15. A further 180 vehicles had between 100 and 149 booked visitor parking sessions. These bookings tend to be in CPZs in the south east of the borough, which contain London Underground and Overground stations in zones 2 and 3. A more detailed breakdown per CPZ is contained in Appendix C.*
- 3.15 *When making visitor parking bookings, residents are not required to indicate the purpose of the visit... We cannot categorically evidence whether a particular visitor parking booking has been for the purpose of commuting, or for a genuine visit. A number of regular visitors may, for example, be people providing care or builders working on domestic properties. However, given that households in CPZs currently have the option of purchasing an annual Visitor Household Permit for £110 (which offers better value than daily visitor parking permits if more than 73 visits are made), it is highly likely that a significant proportion of repeat usage is from commuters – particularly where more than 100 bookings have been made for the same vehicle. The current low price of £1.50 per parking session is likely to be contributing to this issue, as Brent's charge is much less than the visitor parking tariffs in CPZs across the border in all nearby boroughs except Barnet.*

## Appendix C – Average visitor parking bookings per household, per CPZ



## Appendix D – Vehicles with 100+ visitor parking bookings by CPZ

CPZ	Ward (s)	Occurrences of the same vehicle booking 100-149 sessions	Occurrences of the same vehicle booking over 150 sessions	Nearby Underground stations	Nearby Overground stations	Travel Zone (s)
KR_1	Queens Park, Kensal Green	16	4	Kensal Green	Kensal Rise	2
GC	Willesden Green	15	4	Dollis Hill, Willesden Green		2, 3
KQ	Queens Park	14	4	Kensal Green, Queens Park	Kensal Rise, Brondesbury Park	2
MW	Mapesbury, Dudden Hill, Brondesbury Park	14	8	Willesden Green		2
Page 28 PW	Kensal Green, Harlesden	13	10	Willesden Junction, Kensal Green	Willesden Junction	2, 3
Y	Harlesden, Dudden Hill	13	3	Harlesden, Dollis Hill		3
ZB	Kilburn, Queens Park	11	2	Kilburn Park, Queens Park	Kilburn High Road	2
GH	Willesden Green, Brondesbury Park	8	4	Dollis Hill, Willesden Green		2, 3
KD	Kilburn	8	6	Kilburn, Kilburn Park, Queens Park	Brondesbury, Brondesbury Park	2
KL	Queens Park, Kensal Green, Brondesbury Park	8	9	Kensal Green, Willesden Junction	Kensal Rise, Willesden Junction	2
H	Kensal Green	7	3	Harlesden, Willesden Junction	Willesden Junction	2, 3
KG	Queens Park	7	2	Kensal Green	Kensal Rise	2
KS	Brondesbury Park, Queens Park	5	5	Willesden Green	Kensal Rise, Brondesbury Park	2
MA_1	Brondesbury Park, Mapesbury	5	1	Willesden Green, Kilburn	Brondesbury, Brondesbury Park	2
GD	Dudden Hill, Willesden Green	4		Dollis Hill, Neasden		3
HS	Harlesden, Stonebridge	4		Harlesden, Willesden Junction	Willesden Junction	2, 3
KC	Kilburn, Queens Park	4	1	Kilburn Park, Queens Park	Kilburn High Road	2

CPZ	Ward (s)	Occurrences of the same vehicle booking 100-149 sessions	Occurrences of the same vehicle booking over 150 sessions	Nearby Underground stations	Nearby Overground stations	Travel Zone (s)
GM	Mapesbury	3	1	Willesden Green	Cricklewood	2, 3
KR_2	Kensal Green	3		Kensal Green, Willesden Junction	Kensal Rise, Willesden Junction	2
NS	Dudden Hill, Welsh Harp	3		Neasden		3
C	Wembley Central, Sudbury, Tokyngton	2	2	Wembley Central	Wembley Stadium	2,4
GB	Dudden Hill	2	2	Dollis Hill		3
K	Kilburn	2	2	Kilburn Park, Queens Park	Kilburn High Road	2
PAIA_2	Mapesbury	2	4	Willesden Green, Kilburn	Cricklewood	2,3
PH	Sudbury	2	1	Sudbury Hill	Subury Hill Harrow	4
PS	Willesden Green, Brondesbury Park	1		Willesden Green		2
KM	Kilburn	1		Kilburn Park, Queens Park	Kilburn High Road	2
MK	Brondesbury Park, Mapesbury	1	1	Kilburn	Brondesbury, Brondesbury Park	2
NT	Dudden Hill	1		Neasden, Dollis Hill		3
W	Tokyngton	1		Wembley Central	Wembley Stadium	4
GA	Mapesbury		1	Willesden Green	Cricklewood	3

## Appendix E – Resident Parking Permit Prices

### Current (2016/17)

<b>Vehicle band</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<i>Vehicle emissions (gCO<sub>2</sub>/km) of passenger vehicles registered on or after 1 March 2001</i>	<i>Less than 110</i>	<i>110-130</i>	<i>131-150</i>	<i>151-175</i>	<i>176-200</i>	<i>201-255</i>	<i>255+</i>
<i>Cylinder capacity of engine (cc) of passenger vehicles registered before 1 March 2001 and goods carrying vehicles</i>	<i>Less than 1101</i>	<i>1101-1200</i>	<i>1201-1550</i>	<i>1551-1800</i>	<i>1801-2400</i>	<i>2401-3000</i>	<i>Over 3000</i>
<b>Duration: 12 months</b>							
<i>1st permit (£)</i>	<i>0</i>	<i>56</i>	<i>83</i>	<i>111</i>	<i>139</i>	<i>167</i>	<i>222</i>
<i>2nd permit (£)</i>	<i>40</i>	<i>96</i>	<i>123</i>	<i>151</i>	<i>179</i>	<i>207</i>	<i>262</i>
<i>3rd permit (£)</i>	<i>80</i>	<i>136</i>	<i>163</i>	<i>191</i>	<i>219</i>	<i>247</i>	<i>302</i>

## Appendix E (continued) – Resident Parking Permit Prices

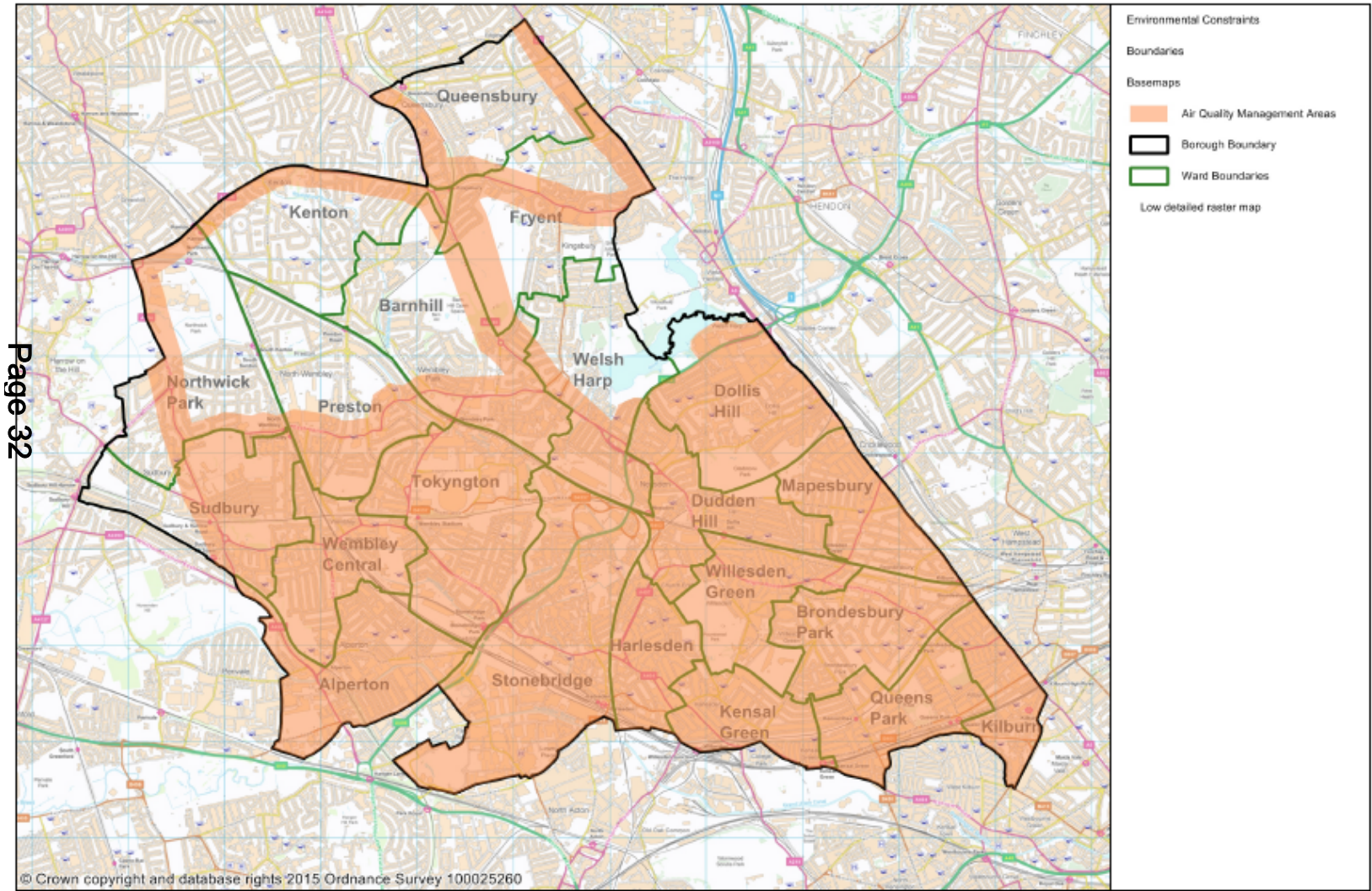
### Proposed 2017/18 (prior to application of the inflation-linked price increase due in April 2017)

<b>Vehicle emissions:</b>	<b>Low</b>	<b>Standard</b>	<b>High</b>
<i>Vehicle emissions (gCO<sub>2</sub>/km) of passenger vehicles registered on or after 1 March 2001</i>	<i>Less than 110</i>	<i>110-200</i>	<i>201+</i>
<i>Cylinder capacity of engine (cc) of passenger vehicles registered before 1 March 2001 and goods carrying vehicles</i>	<i>Up to 1100</i>	<i>1101-2400</i>	<i>Over 2400</i>
<b>1st permit (£)</b>	25* (min. charge)	83	222
<b>2nd permit (£)</b>	40*	123	262
<b>3rd permit (£)</b>	80	163**	302

\*The minimum charge of £25 would also apply to 3 month and 6 month permits for Low Emission Band vehicles.

\*\* £163 is also proposed as the charge for one year Visitor Household permits.

# Appendix F – Air Quality Management Areas within Brent



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## **Appendix G - School Travel Plan Objectives**

For the pupils:

- Improving health and fitness by walking, scooting and cycling
- Improving travel awareness and road user skills
- Improving awareness of their surroundings

For the school:

- Improving safety around the school
- Reducing congestion around the school
- Establishing safer walking and cycling routes around the school
- Contributing to other school policies such as Eco Schools and Healthy Schools etc.
- Can be linked to the National Curriculum

For parents:

- Reducing stress and time spent driving to school, especially when it is congested
- Increasing quality parent/child contact time

For the local community:

- Improving the local environment by reducing air and noise pollution
- Reducing congestion/obstruction problems
- Improving walking routes
- Improving road safety

## Appendix H - Parking Consultation Activities

Date	Method	Activity
08.04.16	Email	Advance notification circulated to all Members via the Members Bulletin
12.04.16	Postal	25,698 Letters posted to active Parking Account Holders
13.04.16	Postal	63 Letters posted to registered Resident Associations located in CPZs
<b>13.04.16</b>	<b>Online</b>	<b>Consultation portal successfully went live online at 12 midday.</b>
13.04.16	Email	24,345 Emails sent to active Parking Account holders
13.04.16	Email	47 emails sent to schools located within CPZs
13.04.16	Online	Details of consultation live online Brent website home page and link to consultation also available through Parking home page and Intranet
13.04.16	Online	Press Release posted live on Brent website. Website home page includes rolling banner headline feature online
13.04.16	Meeting	Brent Connects Kilburn. Promoting participation in the survey, answering questions and distributing paper based questionnaires.
13.04.16	Online	Rotator banner placed on website bring the consultation information to the forefront of the Brent web page.
14.04.16	Online	Brent Internal Communication via Yammer
14.04.16	Paper	Paper based copies of questionnaire and covering note with Customer Services at Brent Civic Centre.
14.04.16	Online	Brent Twitter updated with information regarding the consultation
18.04.16	Meeting	Brent Connects Wembley. Promoting participation in the survey, answering questions and distributing paper based questionnaires
19.04.16	Meeting	Brent Connects Harlesden. Promoting participation in the survey, answering questions and distributing paper based questionnaires
20.04.16	Meeting	Brent Connects Willesden. Promoting participation in the survey, answering questions and distributing paper based questionnaires
20.04.16	Online	Website updated to inform public of Drop-In session at the Yellow Pavilion, Wembley on Saturday 30 <sup>th</sup> April 2016.
22.04.16	Email	Your Brent weekly newsletter circulated to 33,000 residents with information and feature on consultation, direct link to questionnaire and advising of Public Meeting event date at the Yellow Pavilion.
25.04.16	Focus Group	The first of 3 focus group sessions at Patindar House, Wembley. Presented summary of proposals and Q&A session.
28.04.16	Focus Group	The second of 3 focus group sessions at St Gabriel's Hall, Cricklewood. Presented summary of proposals and Q&A session.
29.04.16	Online	Continuous updates and <i>chatter</i> on twitter monitored and updated.
29.04.16	Email	Second circulation of Your Brent weekly newsletter with information and feature on consultation, direct link to questionnaire and advising of Public Meeting event date at the Yellow Pavilion.
30.04.16	Public Meeting	Public drop-in session at Yellow Pavilion, Wembley on Saturday 30 <sup>th</sup> April from 10am-2pm. Paper based questionnaires available to take and large map of Brent with CPZ areas placed on wall for visual impact. Flip chart and sticky notes available for residents to leave comments.
03.05.16	Focus Group	The final focus group sessions at Bridge Park Community and Leisure Centre, Brentfield. Presented summary of proposals and Q&A session.
		Almost 100 paper based questionnaires, covering note and pre-paid return envelopes posted to residents on request. All returned questionnaires were uploaded to the consultation portal and given a reference number to distinguish. Various direct emails received and responded to and as number of telephone calls answered providing clarification on the proposals.
10.05.16		<b>CONSULTATION ENDED @ 6PM</b> Returned paper based questionnaires added to the main consultation portal until 15 <sup>th</sup> May.

## Appendix I – Consultation Responses

	Q1 Pay & Display Freeze	Q2 New Visitor Charge Scheme	Q3 Visitor Permit £350 Cap	Q4 End Visitor H- hold. Permit	Q5 Care Permit	Q6 School Business Permits	Q7 School Travel Plan Permits	Q8 Reduce 3 to 2 Resident Permits	Q9 Simplify 7 bands to 3	Q10 Diesel Extra	Q11 Min. £25 charge	Q12 Size Limit of 3.5t	Q13 Local Trader Permit
<b>Strongly Agree</b>	2049	362	641	440	712	706	715	1129	503	721	773	1451	930
<b>Agree</b>	700	487	652	471	762	1001	1040	738	949	579	756	873	1216
<b>Neither Agree / Disagree</b>	264	193	353	354	607	813	872	193	800	415	386	405	688
<b>Disagree</b>	104	388	361	359	276	213	182	250	348	360	328	179	160
<b>Strongly Disagree</b>	156	1851	1263	1655	897	518	434	969	649	1193	1011	361	280
<b>No Response</b>	46	38	49	40	65	68	76	40	70	51	65	50	65

## Appendix J – Focus Groups report

This is attached separately.

## Appendix K – Willesden Temple responses

Proposal	Agree/ Strongly Agree	Neither Agree or Disagree	Disagree/ Strongly Disagree
Freeze Pay and Display charges	99%	0%	<1%
Introduce new daily visitor charges	2%	<1%	98%
Annual cap on visitor permits	1%	<1%	98%
Withdraw Visitor Household permit	1%	1%	98%
School Business permits	98%	<1%	2%
School Travel Plan permits	98%	<1%	1%
Reduce resident permits from 3 to 2	2%	<1%	98%
Simplify emission based charge bands from 7 to 3	<1%	42%	57%
Introduce diesel surcharge	<1%	2%	98%
£25 minimum resident permit charge	1%	<1%	98%
Reduce maximum vehicle size	1%	51%	48%
Introduce new trader permit	99%	0%	<1%

**Appendix L - Assumptions made in financial modelling of changes to visitor permit charges**

Assumptions made in financial modelling
Demand forecasts based on volume of visitor parking booking transactions completed in 2015: 451,119 visitor parking bookings
In CPZs that operate for more than 5 hours, demand is assumed to be split between the All day, 4 hour and 2 hour permits in the ratio 40:30:30
In CPZs that operate for 5 hours or less, demand is assumed to be evenly split between the 4 hour and 2 hour permits i.e. one half each.
Demand forecasts assume a reduction on the baseline 2014/15 as follows: demand drops by 7.5% for all day bookings; 5% for 4 hour bookings; and 0% for 2 hour bookings

## Appendix M - Resident Permit Restrictions

### **Stage 1 Equalities Analysis**

#### **1. What are the objectives and expected outcomes of your proposal? Why is it needed?**

The proposal is to restrict the purchase of resident parking permits to a maximum of 2 per household, instead of the current offer of 3 permits. The aim is to better control demand for kerbside parking space within CPZs, and to encourage take up of more sustainable modes of transport to improve air quality and reduce carbon emissions.

The activities which informed the permit restriction proposal were:

- Public consultation on the proposal to reduce entitlement from 3 to 2 resident permits per household
- Analysis of resident permit data from parking account records
- Policy objectives of the Parking Strategy and Long Term Transport strategy

#### **2. Who is affected by the proposal?**

Households in Brent who live in a CPZ and own three vehicles which park on-street.

Controlled Parking Zones cover 49% of Brent's residential addresses. An analysis of data from parking account holders indicates that about 600 households purchase a third resident parking permit each year.

#### **3.1 Could the proposal impact on people in different ways because of their equality characteristics?**

There is a possibility that the proposal may affect residents from particular ethnic backgrounds or faith groups.

#### **3.2 Could the proposal have a disproportionate impact on some equality groups?**

There could be a risk of disproportionate impact if members of these groups are more likely to live in larger households i.e. where an extended family lives in the same household, including adult children living with their parents.

#### **3.3 Would the proposal change or remove services used by vulnerable groups of people?**

The proposal to restrict the number of resident parking permits does not change or remove the service entirely – 2 resident parking permits per household would still be available.

#### **3.4 Does the proposal relate to an area with known inequalities?**

Approximately half of the borough is affected, mainly CPZ areas in the south-east of Brent and around Wembley.

**3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?**

See above.

**3.6 Does the proposal relate to one of Brent's equality objectives?**

The proposal does not explicitly relate to any of the Equality objectives in the Council's Equality Strategy.

**Recommend this EA for Full Analysis?**

Yes – further research is required to ascertain whether there would be a significant impact.

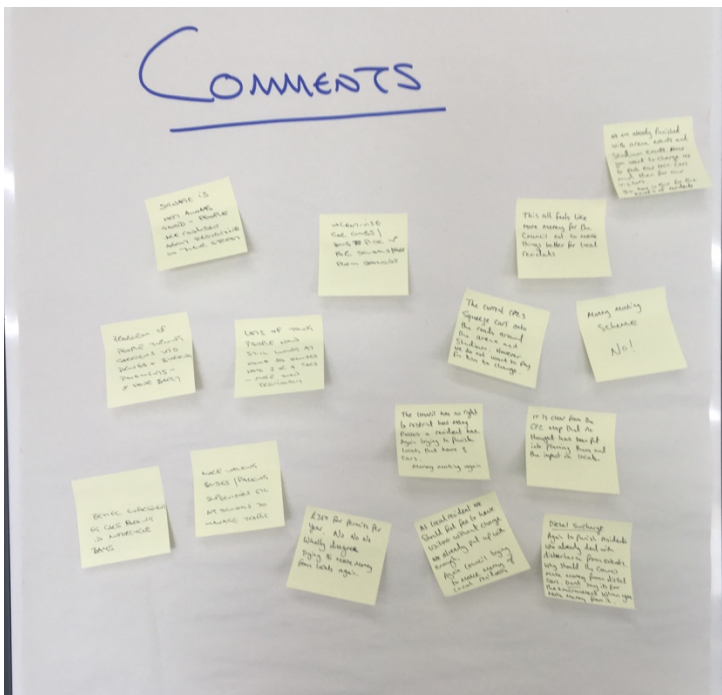
An analysis of consultation responses on this specific issue should be conducted, cross-referenced with the ethnicity and faith data provided by respondents.

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## Brent Consultation

### On-Street Parking and Charges 2016



## Report of Focus Groups and Information Session

May 2016

## 1. Summary

The following key messages were captured during the three Focus Groups and Information Drop In Session during the Brent consultation on On-Street Parking and Charges:

- There was a general concern that the proposals appeared to be more about raising money than protecting the environment or solving identified parking problems in the borough;
- Residents would like more information about the problems the Council is aiming to address when being asked to respond to this type of detailed consultation;
- Pay and display was seen as a complex issue with residents having to compete with non-residents for spaces, and the potential impact of any changes to local traders being a concern. While there was some limited support for increasing charges, most participants felt that a consistent approach to how charges were applied across the borough was important along with supporting trade for local businesses;
- There was concern that making systems, such as visitor parking, more complex would impact on residents negatively;
- It is felt that if parking charges had to increase it should be done incrementally to avoid large price hikes;
- There was general support for restricting residents to two parking permits per household;
- There was a feeling that the school permit proposals would not have a significant impact and that more creative solutions were needed in this area;
- There was a feeling that enforcement should be strengthened to penalise those who did not comply with the rules, but that good behaviour should be incentivised (to encourage car sharing, provide free parking for eco-friendly cars, ensure existing car parks are affordable etc.);
- The diesel surcharge was disliked and, if it was to be implemented, should be phased in gradually;
- The idea of restricting larger vehicles was generally liked but there was debate about what constituted a 'larger vehicle' and whether the proposed definition was the right one;
- There was real concern about the imbalance between the supply of parking spaces in the borough and the current demand amongst residents and visitors. It was felt this was a priority for the Council to address;
- Whatever proposals were adopted they should protect the environment and not add to existing issues by encouraging, for example, the further loss of front gardens;
- CPZs were seen as a good thing if they were implemented consistently and met the needs of residents. It was also noted that CPZs could push parking problems into neighbouring streets, simply displacing the issues they were designed to address; and
- Brent was seen as different from neighbouring boroughs. While it was viewed as a positive to learn from good practice elsewhere, it should be acknowledged that Wembley Events Day brought particular issues for Brent residents which other local councils did not experience. A bespoke solution was required to meet these additional demands.

## 2. Introduction

Brent Council held a consultation from 13 April to 10 May 2016 covering on-street parking and charges. The consultation covered the following areas:

- freezing charges in pay and display bays across the borough
- a new scheme of charges for visitor parking in Controlled Parking Zones
- a proposal to cap the availability of visitor permits
- withdrawing the Visitor Household Permit offer
- introducing a new permit for residents who need care and support
- revising schools' permits to encourage staff to minimise their parking impact and encourage better school travel planning
- a proposal to limit residents' permits to a maximum of two per household
- simplifying the emissions-based charging scheme for residents' permits, with increased charges for cars that create more air pollution
- introducing a new trader permit which could help local businesses such as plumbers, electricians and other building trades
- introducing a £25 supplement for diesel vehicles to reflect their recognised impact on air pollution
- introducing a minimum permit charge of £25 for all vehicle types
- reducing the permitted size of vehicles eligible for resident permits by introducing a weight limit of 3.5 tonnes.

The consultation did not cover the boundaries and times of operation for CPZs.

An online questionnaire was available to residents which included a free text comments box. In order to gather additional qualitative information, 3 focus groups invited members of the Brent Citizens' Panel to share their views on the proposals. The Citizens' Panel consists of around 2,000 local residents who reflect Brent's diverse population. Each Focus Group was independently facilitated by Dr Sharon Wright and no members of Brent Council were present during the discussion.

A drop in information session was also held during the consultation period. Sharon Wright attended this and visitors were able to leave comments for inclusion in this report.

Comments made during the 3 focus groups and the information drop in session have been collated below, and key issues emerging across the discussions have been identified in the summary and conclusions.

## 3. Process

The 3 focus groups were held at the following times and locations :

- Session 1 : 5<sup>th</sup> April 2016 from 11:30am – 1:00pm at Patidar House, 2nd Floor, 22 London Road, Wembley HA9 7EX

- Session 2 : 28<sup>th</sup> April 2016 from 6:30pm – 8pm at St Gabriel’s Hall (corner of Anson Road), Chichele Road, London NW2 3AQ – please note this is not the church
- Session 3 : 3<sup>rd</sup> May 2016 from 4:30pm – 6pm at Bridge Park Leisure Centre, Brentfield, London NW10 0RG

Each focus group began with an opportunity for participants to hear a short presentation on the key elements of the consultation from the Brent Parking Policy Manager, and to ask any questions or raise points of clarification. The rest of the session was given over to a facilitated discussion with no Council officers present. Participants were asked for their views on the issues which were most important to them, their thoughts on the positive and negative implications of the proposals, and for any suggestions for improvements in how the service might operate in future.

Focus group attendees were as follows :

Focus Group	Participant Numbers	Additional Information
Session 1	16	6 lived in a CPZ 11 made use of some sort of parking permit
Session 2	15	10 lived in a CPZ 10 made use of some sort of parking permit
Session 3	6	2 lived in a CPZ 3 made use of some sort of parking permit
<b>Total</b>	<b>37</b>	

Participants received £15 of High Street vouchers at the end of the session by way of thanks for their participation.

Each session was recorded so that all comments could be captured and transcribed.

Participants have not been identified in the analysis below, but are simply referred to as ‘female resident’ or ‘male resident’ in order that they were not inhibited in giving their views during the Focus Group discussions.

The Information Drop In Session took place on:

- 30<sup>th</sup> April from 10am – 2pm at the Yellow Pavilion, Olympic Way, Wembley HA9 0XJ.

Participants were encouraged to add any thoughts they wanted recorded in this report to a ‘Comments’ board at the venue.

#### 4. Issues Raised at the Focus Groups

Each of the Focus Groups had a wide ranging discussion, concentrating on the issues most important to those present. This meant that not all of the areas covered by the consultation were discussed at every Focus Group session.

The following issues were raised by participants:

##### 4.1 The Consultation Process and Proposals

Participants discussed the consultation process and were concerned that this was a way for Brent Council to raise revenue, although this was not explicitly stated in the questionnaire. They said, for example:

- *All these measures are always about raising revenue to the detriment of residents (Female resident)*
- *We're already paying Council tax – why are we being penalised again (Female resident)*
- *It's raising the Council tax by stealth! (Female resident)*
- *The assumption is that this consultation is about raising revenue, not about protecting the environment (Male resident)*

While they were sympathetic that the Council was facing budget cuts, they felt that the consultation did not give enough information to enable their decision making. They said, for example:

- *Brent has been hit and have to slash their budgets so you have to be sympathetic to that (Female resident)*
- *I want more evidence on what would make most impact on residents and traders. Nowhere in the consultation does it say that's it's about raising more money. But it is (Male resident)*
- *We need to look at how things join up – the impact on residents, traders and the environment (Female resident)*
- *More impact assessment and creative thinking is needed (Female resident)*
- *We understand that central government is cutting council funding but we need more information about the data these proposals are based on and how much money they will raise in order to comment (Male resident)*

They also discussed what they saw as the inequality between the north and south of the borough saying:

- *All the CPZs are in the south of the borough so all of us are paying to support Brent Council and its deficit yet in the north they can park where they want (Female resident)*
- *Why are we penalised for being in the south of the borough? (Female resident)*

Several people also said that they found the consultation complicated and difficult to complete.

There were also concerns raised about comparisons being made with neighbouring boroughs:

- *Why are we comparing Brent with Ealing – wouldn't Harrow be a better comparison? (Male resident)*
- *Wembley Stadium is putting on a lot more events per year than we were promised. Can't compare with Ealing as it doesn't have a Wembley (Female resident)*

#### **4.2 Pay & Display**

There were concerns expressed about the current operation of pay and display areas including perceived inconsistency about how the policy was applied across the borough:

- *The streets are so different and it seems very unfair. Inconsistency in how CPZs and pay and display are applied across the borough (Female resident)*
- *Westminster is cheaper than on the Brent side. The Council should be getting better value for money from the contractor – it's the same one in both boroughs! (Female resident)*
- *The residents should get priority for pay and display (Female resident)*

There was also discussion of how pay and display affected local traders with the following comments being made:

- *Surely traders would want to keep pay and display low to encourage people to come and shop locally (Female resident)*
- *Pricey pay and display can kill a town centre. Is the pricing fair and affordable? Maybe it needs to be reviewed to see what impact it has on local shops (Female resident)*
- *My experience is that they introduced controlled parking at the Preston Road shops and they started to go out of business. Having the first hour free would encourage people to shop there rather than charging for the first 45 minutes (Male resident)*
- *But where there are takeaway restaurants there are double yellow lines and cameras so if you want to pick up food you can't just stop and collect it (Female resident)*
- *I shop in Ealing rather than Brent because of the free parking Ealing offers (Female resident)*

While there were no explicit calls to reduce pay and display charges, there was one suggestion that it should be increased:

- *Does increasing pay and display charges impact on residents? If they were increased instead of resident permits wouldn't that be better? I propose they raise pay and display and leave everything else alone to raise money (Male resident)*

#### **4.3 Visitor Parking**

There was a good deal of discussion on visitor parking with concerns about abuse of the system and whether the proposals would help mitigate against this:

- *I live in the heart of Wembley near the stadium and Monday to Friday there is no parking spaces but on Saturday there is parking available. That tells me that on*

*Monday to Friday people who do not live in the area are using the parking. How do they get permits? I don't think the consultation proposals will help. (Male resident)*

- *How do you stop the abuse and why should everyone suffer because of a few? (Female resident)*

And concerns were expressed about suggested increases in the cost of visitor parking:

- *Increase in price won't affect people that are wealthy but there are areas that are less affluent and we have to be fair. We need a good balance where everyone can have a fair service (Male resident)*
- *Price increases do not take account of underlying principle to protect Brent residents which CPZ were originally brought in for. When zones were introduced first permit per household were free and subsequent ones were £25 and there would be a protection for visitors. Scratch card was very convenient and flexible for residents and that was scrapped, and charges keep going up. What is the underlying policy objective of the Council? Small increases in line with inflation – yes – but large increases go against the original purpose of CPZs. (Male Resident)*
- *I'm happy with £1.50 for a day. My children come to visit and they might stay for 3 hours so I need to think about what it will cost me if they do (Female resident)*
- *People on a pension should have free visitor parking (Female resident)*
- *Having the CPZ has made our road better. It has improved things for us but I don't want to pay so much for it and for Brent to tell me how many visitors I can have. And if builders start to have to have permits they will just pass on the cost to us as customers (Female residents)*

Participants, many of whom said they missed the flexibility the previous scratch card system had given them, were also worried about the complexity of the proposed system and the fact it would put people off visiting or having visitors:

- *I've got friends I'd like to visit for a coffee but I don't because of the trouble they'll have of getting me a £1.50 permit. (Female resident)*
- *The visitor parking scratch cards were easy but not everyone is able to go online and the system is complicated and they want to make it more complicated. I enjoy having visitors and don't want to be watching the clock when I do. (Male resident)*
- *Older people might find it hard to navigate the system (Female resident)*
- *I have an elderly neighbour who doesn't have a computer and they system is too complicated. Its sad people can't just pop in as they could when we had the scratch cards (Female resident)*

Several participants said they would be happy with a smaller increase in price but saw the proposals as too much of a change all at once:

- *Could raise visitor parking to £2.00 and keep it a flat fee – it needs to be simple (Male resident)*
- *Brent are looking for money so small raises in visitor parking would be acceptable. Just raise it incrementally and we can manage that (Female resident)*

#### 4.4 School Parking

There was generally a feeling that the school parking permit proposals would not bring about significant change. Participants acknowledged there were issues for schools saying, for example:

- *I live off Brenfield Road and Leopold School is nearby and we never used to have a problem with parking but the school has no parking and it is not in a CPZ so now they flood the street. (Male resident)*
- *They're desperate for school places in Brent and schools have expanded. Retention of teachers is difficult and about 50% of teachers are leaving within 5 years (Female resident)*

There was a feeling that the proposed changes would not go far enough and that a more concerted effort to find alternative solutions to the challenges of school parking needed to be found:

- *Idea of schools having permits is a good one and possibility of staff sharing cars should be pushed. Living in London is difficult for young teachers. (Female resident)*
- *I back onto Park Lane Primary School which has doubled in size and I'd like to see schools promoting different ways to get children to school apart from with parents in cars (Female resident)*
- *3 school parking permits is a drop in the ocean for schools – they might have 100 staff! (Female resident)*
- *4 schools around Chamberlain Road where we already have lots of parking problems – if they give these schools 12 spaces that would create more problems for residents (Female resident)*
- *Which teachers would get the permits? It might cause more problems for the schools. Hospitals need spaces for Nurses, business need spaces, why do this for schools? (Female resident)*
- *If schools worked with TfL to manage children onto the right buses then it might stop parents driving to collect them (Female resident)*
- *There's a lack of joined up thinking in the Council. There are 1200 new school places in my area of the north of the borough but all the children are being driven to school as they don't live nearby. The school travel plans don't seem to be making any difference. (Male resident)*

#### 4.5 Residents' Parking

While there was a great deal of discussion about the parking space supply and demand issues in Brent (see 4.8(g) below) the proposal to reduce the number of permits was generally welcomed. For example, participants said:

- *I agree with limiting resident parking permits to 2 per house (Female resident)*

#### 4.6 Diesel Surcharge

This proposal was seen to be unfair in that it would penalise residents who had felt they were following good advice at the time of buying their diesel car. Comments included:



- *I do feel it is not right that people who live in CPZs are being asked to pay more for diesel cars. Brent should be looking at the overall picture (Female residents)*
- *Original policy was to have a discounted permit for environmentally friendly cars (Male residents)*
- *I remember the time diesel cars were being promoted as environmentally friendly so imposing a penalty by increasing fees is very discriminatory. (Male residents)*
- *I'm very annoyed by the diesel surcharge. This feels like penalising people after they've followed government advice (Male residents)*
- *The health issue will still be there with diesel cars. Why not deal with the companies making the cars – why penalise Brent residents? (Female resident)*

Several participants saw this as simply a revenue generating idea for the Council:

- *Doesn't matter what sort of car is taking the space, it is still being used. Why charge more for some sorts of cars? Just to raise additional money? (Male resident)*
- *I don't think the diesel charge is going to make a big difference – it's just about raising money (Male resident)*

Participants were generally in favour, if a charge was to be introduced, that it should be phased in :

- *Should be a way to phase in charges for diesel cars. (Female resident)*
- *Any increased fee needs to be introduced over time as people bought diesel cars in good faith at the time (Female resident)*

Others felt that incentivising good cars was another way to tackle the issue:

- *We have a hybrid car why can't we have incentives for having a hybrid car (Male participant)*
- *Maybe those who drive cars with low emissions shouldn't have to pay (Female participant)*

Although as one participant cautioned: *Its going to be a long time before electric cars are a sustainable alternative so that may not be the answer (Female resident)*

#### **4.7 Maximum Size of Vehicle Eligible for Resident Permits**

This proposal was generally felt to be positive but there was some confusion about what sorts of vehicles would be included and whether using tonnage was the right method of designating those too large to take up a single parking space :

- *We've got dozens of white vans in our street that take up two spaces each. They present a hazard getting out of our drives. Will the size of the vehicles be taken into account? Good that it's in the consultation. (Male resident)*
- *We don't want massive vehicles parking on our streets but does the tonnage of the vehicle matter? Isn't it more about the length of the vehicle? If it can't fit into a single parking space then it should be penalised. (Male resident)*

#### 4.8 Additional Issues

Participants raised a number of issues which, while related to parking in the borough, are not directly address the questions in the consultation document. These have been set out below.

##### a. CPZ Times

All of the focus group sessions raised the issue of CPZ times and concerns about how they were applied inconsistently across the borough:

- *Our CPZ goes from 8am – 6pm yet I can drive a few streets away and it will end at 3pm. There seems to be no logic in that. It's anti-family to have CPZs charging on a Saturday – our relatives visit on a Saturday and that can be expensive. To feel that people can't come and visit family on a Saturday is a problem. (Female resident)*
- *Don't keep chopping and changing the hours of the CPZs – make it consistent (Female resident)*

Participants raised lots of examples of where CPZ time restrictions had or could have a positive impact on them:

- *We have a 3 hour restriction from 12-3pm so we can have visitors outside those times for free and that's good (Male resident)*
- *It's worked for us to have 3 hour CPZ as it's stopped people parking in our street for the whole day (Male resident)*
- *Kenton Road has a very sensible restriction of 2-4pm to make sure commuters don't abuse the parking but I'm near Ealing Road and the 8am – 9pm restriction is just too long (M)*
- *I'm not in a CPZ and we don't want resident parking but some restriction would be ok if it stopped people parking in our street (Female resident)*
- *Right beside Ealing Broadway station has a sensible scheme with restrictions from 9-10am and 3-4pm. If you want to go shopping you can do it between 10am – 3pm and otherwise it stops people leaving their cars there all day (Female resident)*
- *Kenton underground station side roads have restrictions on parking 11am – 12pm and this is one way to deter people from parking there (Female resident)*

##### b. Faith Groups

One participant asked that the issue of parking for faith groups be considered:

- *We need to look at how parking for Faith Group can be accommodated more effectively. Always the next consultation – we're losing faith! (Male Resident)*

##### c. Event Days

A good number of the participants lived in the Events Day zone or were impacted by it. They raised a number of issues about how this worked in practice including the fact that the zone was seen to be too large and that car parks within the zone was too expensive to be used by visitors, adding to congestion just outside the area:

- *I wonder whether the event day parking restrictions are too wide in the borough (Female resident)*

- *I don't live in a CPZ but have a friend on Preston Road and I don't go to visit her on event days as I can't park (Female resident)*
- *It's too expensive to park in the car park by the station so people will park and walk several miles on event days (Male resident)*
- *Parking charges are very high at the Designer Outlet Stores and while you can spend money at the stores and get free parking most of the time, this doesn't apply on event days which is ridiculous! (Male resident)*

Several participants raised concerns that: *More and more events are being added at Wembley. It feels like there are more than we were promised and dates often change at short notice (Male resident)*

#### **d. Enforcement**

All of the focus groups wanted to raise the issues around enforcement. Many felt that the current approach was inadequate or patchy across a wide range of issues from visitor parking to double parking on the school run to skips in the street. Comments included:

- *I don't want the visitor permit to go but it sounds like it's being misused. It's a management issue not a reason to scrap the permits (Female resident)*
- *One thing I notice is that living in a street that starts at 8am, we have wardens there at 8am to catch people out so it is about income generation. In Harlesden historically we have heard they are worried about challenging people, which the Harlesden population strongly disagree with. But I know the money cannot be used for other things – if I felt I was paying to help schools or hospitals I might not mind. But we need to know what these costs are – what CPZs raise and what the money is spent on. Seem to be raising lots of money on ticketing people but cars without tax can sit on the street for ages – it's the inequality I'm worried about. (Female resident)*
- *No follow through with promises made. Where is the study 5 years down the line to see if car free developments are working. Where is the evidence that CPZs original idea to protect residents has worked. If monitored properly then fines would fund wardens to see what is working now. (Female resident)*
- *Has the council done anything to monitor abuse of parking? (Male resident)*
- *Some of the charges if you get a ticket are far too high (Female resident)*
- *The Council isn't enforcing the need for green space when drives are tarmacked (Female resident)*
- *Enforcement is the biggest issue in Brent. In some areas enforcement officers have been told not to confront people for fear of their own safety so they pick on other areas to give tickets in order to meet their targets (Male resident)*
- *The camera vehicle sits in a parking bay filming people all day – how is that legal! (Male resident)*
- *Crownhill Road has three schools on it and lots of double parked cars. Parents ignore road marking when they want to drop off or pick up their kids. Parking attendants should be outside the schools in the morning and enforce the restrictions to stop this behaviour (Male resident)*
- *Why aren't the enforcement vehicles with cameras outside schools in the morning to catch parents? (Female resident)*

- *Enforcement of Blue Badges is also an issue – there seems to be a lot of them around. Are they all valid or is the system being abused? (Male resident)*
- *People have to have permits for skips but they take up a lot of space – effectively more than one parking space. Do they pay the equivalent charge of a visitor space? Is this enforced when they take up more space with additional rubbish? (Female resident)*
- *Not enough monitoring and fines for people including those who sell on their permits (Female resident)*
- *Brent are not interested in monitoring how the CPZs are performing or how they affect local residents and the fact they are shifting problems to other areas. There has to be a way for Brent to know the CPZs are causing problems. The motive here is profit and doesn't have the interest of residents at heart. (Male resident)*

Several participants said they would be happy to be more involved in enforcement of parking rules in their own streets if there was a mechanism to do so:

- *If they want residents to be monitors then let us know and make that an active scheme (Female resident)*
- *We can do more – uploading photos of cars which are parking illegally for example. (Male resident)*

#### **e. Issues in areas around the CPZs**

Several participants lived on the edge of a CPZ and were concerned about the impact it was having on their streets, seemingly pushing the parking problem out to areas where there were no restrictions. They said:

- *I live close to a Primary School which has no CPZ but in last 18 months those in CPZ have moved to local streets which have no restrictions. This is making a problem for the school and the whole street is blocked and has been especially bad over the last 3 months. (Male resident)*
- *CPZ is shifting the problem elsewhere to where there is no CPZ so why not make every street a CPZ and the cost would come down accordingly (Male resident)*

Honeypot Lane was raised in two of the sessions as an area outside the CPZ which suffered particular issues:

- *I live on Honeypot Lane – if people could park on the main road then it would slow the traffic down. Now they're putting in double yellow lines but not telling us what they plan to do about parking (Female resident)*
- *I don't live in a CPZ but I live on Honeypot Lane and it has got worse. I can't get out to turn right as cars are parked so close to the islands. So when new flats are built people will always find a way to park and it causes problems. Bus stops along the way add to the problems (Female resident)*

The impact of car free developments was also raised several times with one participant saying:

- *Yes, there is a car free development policy but planners forget about the fact that people will have visitors. Where do they park? Policy aimed at allowing developers*

*to squeeze more into developments by not providing car parks but it is the people in surrounding streets that are hit. Unless the Council deal with this issue it will get even worse (Male participant)*

### **(g) Supply and Demand**

All of the focus groups discussed the problem of too few parking spaces for too many cars. They also identified that this was being compounded by higher density housing than streets had originally been built for, and loss of existing parking spaces to new developments or conversion to pay and display bays. They wondered if the Council has any plans to look for ways to increase the availability of parking. Comments made included:

- *Too many vehicles and too few spaces. Honeypot Lane has no parking available. Are there any plans to increase the amount of parking spaces available? Should be looking not at raising revenue but about providing more spaces as this is the problem (Male resident)*
- *Elm Road car park has flats built on it so cars are dispersed into side roads so this has an impact – we’re losing more parking spaces (Female resident)*
- *Pay and display in CPZs means we are also losing spaces to shoppers and we have fewer spaces to use (Female resident)*
- *Having pay and display in residential areas means there is huge competition for spaces (Female resident)*
- *Resident parking was changed to permit parking in my area which means anyone can park there now (Male resident)*
- *There was a car park near Willesden Green Library which was got rid of and 93 housing units put on it. Two houses have been turned into 6 units each in my road. Brent Planning doesn’t care about the impact on parking in the local area. (Female resident)*
- *Willesden High Street has insufficient parking if you want to use the Library during the day (Female resident)*
- *If there are 33000 resident parking bays and 56000 residents – how many parking permits have they given out? If they know they’ve only got 33000 spaces they shouldn’t give out more than that. You only have to look at how many homes there are on a road to know there aren’t enough spaces for everyone (Male resident)*
- *In Stonebridge Park we weren’t in a CPZ, people park in the street and use the tube to go to work and we had to park several streets away from our flat. Now I live near Wembley Stadium and in a CPZ and on event days we still can’t park near our homes. Out of the frying pan into the fire – we’re paying more but nothing is changing. (Female resident)*
- *Preston Road car park was used by commuters but now everyone is parking their cars in the street because of the cost. (Male resident)*

### **(h) Safety**

Several women participants raised the issue, linked to the availability of parking spaces, of their personal safety. They felt that being unable to park where they needed had an impact on how safe they felt. Comments included:

- *As a woman on my own I have to park a long way away in the evenings and the reason I use my car is because I feel safer (Female resident)*
- *I'm actually using public transport because I know when I come back I'm not driving around looking for a space at night (Female resident)*
- *A car for me is about personal safety – I don't like walking from the station in the dark but you can't park close to the stations in Brent (Female resident)*

#### **(h) Environmental Issues**

There was concern expressed at all the focus groups that the proposals did not go far enough to protect the environment. Comments particularly focused on turning front gardens into parking spaces and the impact that had on the environment and the availability of on street parking spaces. Participants said the following:

- *I'd like to talk about preserving and creating more front gardens. They're really important for the environment as a whole. I'd love to see people being charged but I don't see how it could happen because they are on their own land. It takes away a whole lot of parking space on the street as well (Female resident)*
- *In terms of protecting the environment the tarmac on driveways causes flooding and people are not complying with the requirement for 50% greenery and the Council is not monitoring this. The back of cars are also overhanging the drop curb which is dangerous. The yellow line on either side of the driveway means other residents lose 3 spaces – the driveway entrance and a space on either side. It's unfair that they only pay to have the driveway put in and have no further ongoing charges. (Female resident)*
- *Council should only have a finite number of driveways per road. (Female resident)*

One participant however said : *A lot of driveways are historical. Thank goodness there are some driveways as if they weren't there the traffic would be worse (Female resident)*

Another participant raised the issue of bus pollution saying:

- *Brent seems to prioritise buses over cars – turning car spaces into bus spaces. And they are a big polluter as well. Are TfL diesel buses going to be charged more as well? (Female resident)*

#### **(i) Information and Communications**

There were concerns about how residents could access information about parking in the borough and also about some existing signage related to parking restrictions. The following comments were made in the focus groups:

- *If I'm having an event at my house can I get extra permits? How do I find out and who do I contact? There is a lack of information about how this works (Male resident)*
- *The Brent website is not very user friendly. It's very difficult to find out information (Female resident)*
- *We don't get notification of events at Wembley far enough in advance so we can't make plans (Male resident)*
- *Some of the street signage is very poor so you don't know what restrictions apply in certain areas (Male resident)*

- *On some roads pay and display ticket machines are placed at either end of the road with no payment information along the street. By the time you've walked to the machine and back you can have been given a ticket! (Male resident)*

#### **(j) Additional Suggestions**

Participants made some useful suggestions about how parking could be made better in the borough including:

- *Preston Road car park has 150-200 spaces and none of them are used. It is not in a CPZ and everyone uses the side streets rather than pay the high prices in the car parks. Can't we give a discount on the car park to commuters and reduce pressure on the streets (Male resident)*
- *Like the idea of areas where people can park and ride on the outskirts as there is no way to provide additional spaces in the borough. Would help with those commuting in. (Female resident)*
- *Car clubs can be used to incentivise as well – could be promoted more (Male resident)*
- *We need to learn from other boroughs that are doing things right (Female resident)*
- *The buses don't always help because they don't link in to the routes people want to take to schools and stations – the 224 bus not going to Stonebridge Park Station is one example of that. Perhaps Brent could work with TfL to improve this? (Female resident)*
- *I think there should be more segmented bays to encourage people to park properly (Female resident)*
- *Brent needs to co-ordinate better with the private car parks in the boroughs – some are very expensive and people won't use them. What levers does the Council have to encourage these to be cheaper or to be free on certain days? (Male resident)*

#### **5. Issues Raised at the Information Drop In Session**

Visitors recorded the following comments which have been transcribed in full:

- *Signage is not always good – people are confused about what restrictions apply on their streets*
- *Problem of people turning gardens into drives and blocking the pavements if it's done badly*
- *Lots of young people are now still living at home so houses have 3 or 4 cars – more than previously*
- *Need better enforcement of, for example, cars parking in motorcycle bays*
- *Should have more schemes to manage school traffic – walking buses/parking supervisors there at the start and end of the school day*
- *Incentivise car clubs/bus pick up for school staff from local stations*
- *We are already punished with arena events and stadium events. Now you want to charge us to park our own cars and then for our visitors. So how is this for the benefit of residents*
- *Money making scheme. No!*

- *Diesel surcharge – Again to punish residents who already deal with disturbance from events. Why should the Council make money from diesel cars. Don't say it's for the environment when you make money from it*
- *It is clear from the CPZ map that no thought has been put into planning them and the impact on locals*
- *The current CPZs squeeze cars onto roads around the Arena and Stadium. However, we do not want to pay for this to change*
- *The Council has no right to restrict how many passes a resident has. Again trying to punish locals that have 3 cars*
- *As local residents we should feel free to have visitors without charge. We already put up with enough. Again Council is trying to make money off local residents*
- *£350 for permits per year. No, no, no. Wholly disagree. Trying to make money from locals again*
- *This all feels like more money for the Council not to make things better for local residents*

These comments largely reflect and amplify those made by Focus Group participants.

## 6. Conclusions


Overall there was consistency in the messages participants delivered across the focus groups. They were:

- There was a general concern that the proposals appeared to be more about raising money than protecting the environment or solving identified parking problems in the borough;
- Residents would like more information about the problems the Council is aiming to address when being asked to respond to this type of detailed consultation;
- Pay and display was seen as a complex issue with residents having to compete with non-residents for spaces, and the potential impact of any changes to local traders being a concern. While there was some limited support for increasing charges, most participants felt that a consistent approach to how charges were applied across the borough was important along with supporting trade for local businesses;
- There was concern that making systems, such as visitor parking, more complex would impact on residents negatively;
- It is felt that if parking charges had to increase it should be done incrementally to avoid large price hikes;
- There was general support for restricting residents to two parking permits per household;
- There was a feeling that the school permit proposals would not have a significant impact and that more creative solutions were needed in this area;
- There was a feeling that enforcement should be strengthened to penalise those who did not comply with the rules, but that good behaviour should be incentivised (to encourage car sharing, provide free parking for eco-friendly cars, ensure existing car parks are affordable etc.);
- The diesel surcharge was disliked and, if it was to be implemented, should be phased in gradually;



- The idea of restricting larger vehicles was generally liked but there was debate about what constituted a ‘larger vehicle’ and whether the proposed definition was the right one;
- There was real concern about the imbalance between the supply of parking spaces in the borough and the current demand amongst residents and visitors. It was felt this was a priority for the Council to address;
- Whatever proposals were adopted they should protect the environment and not add to existing issues by encouraging, for example, the further loss of front gardens;
- CPZs were seen as a good thing if they were implemented consistently and met the needs of residents. It was also noted that CPZs could push parking problems into neighbouring streets, simply displacing the issues they were designed to address; and
- Brent was seen as different from neighbouring boroughs. While it was viewed as a positive to learn from good practice elsewhere, it should be acknowledged that Wembley Events Day brought particular issues for Brent residents which other local councils did not experience. A bespoke solution was required to meet these additional demands.

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 <b>Brent</b>	<p style="text-align: center;"><b>Cabinet</b> <b>27 June 2016</b></p> <p style="text-align: center;"><b>Report from the Strategic Director of Resources</b></p>
Wards affected: Kenton	
<b>Community Asset Transfer at Tenterden Pavilion &amp; Sports Ground, 289 Preston Road HA3 0QQ, the outcome of marketing and recommendation to proceed with a preferred applicant.</b>	

## 1. Summary

- 1.1 On the 20<sup>th</sup> January 2016 Brent's Cabinet approved the marketing of the Tenterden Pavilion and Sports Ground as a Community Asset Transfer opportunity.
- 1.2 This report details the outcome of marketing making a recommendation to grant a lease of the pavilion and a licence of the ground to a preferred applicant.

## 2. Recommendations

- 2.1 That Members approve the proposal for a Community Asset Transfer of the Tenterden Pavilion which involves entering into an agreement to lease that includes provision for granting a lease of the pavilion for up to 30 years and granting a licence on the Sports Ground with the Wembley Education Charitable Trust Ltd (WECT), subject to continued access to community use, planning and funding.
- 2.2 That Members note proposals for the WECT, in order to meet the community use caveat above, to enter into an agreement with Forest United (1973) Youth FC a local charitable football club at the Tenterden Pavilion and Sports Ground during periods when it is not in use by the WECT and opportunity for community access by other groups, in what will be a significant new local sporting facility.
- 2.3 That Members delegate authority to the Director of Resources to finalise and agree terms of a leasehold and associated licence disposal to WECT in consultation with the Operational Director of Environment Services.

## 3. Detail

- 3.1 The Tenterden Pavilion is currently unoccupied and is in a poor state of repair. It has been subject to illegal occupation by rough sleepers and was a catalyst for anti-social behaviour that has affected local residents. The Tenterden Pavilion comprises of a circa 1920's built timber framed, timber clad structure comprising of a hall, bar, kitchenette, two toilet units, storage area and a boiler room. It also has a 2 storey brick built addition Annex to the main Pavilion that is also in a poor condition.
- 3.2 The Pavilion and Annexe has a building foot print of approximately 340 square metres (sqm) and is located on a site of 2.29 hectares that is a Public Open Space, Appendix 1.
- 3.3 Cabinet approved the marketing of the pavilion and associated sports fields on 20/01/16 following a report titled 'Authority to market Tenterden Pavilion under the Council's Community Asset Transfer (CAT) Policy'. This report outlined the CAT process, relevant tests of the CAT policy and (at Appendix 3) gave full details of the area proposed to be included in the CAT marketing particulars. However, it was silent with regards to any other Expressions of Interest (EOI) submissions received for the asset earlier in the process, and did not detail how the proposed area to be included in the scope of the CAT differed from that proposed in the lead EOI. Following recent feedback from bidders these details have now been included at 3.4 and 3.5 of this report to ensure Cabinet oversight.
- 3.4 Prior to marketing the asset it was the subject of two separate EOIs. The first was submitted by the London Muslim Cultural and Recreational Charity (LMCRC) on 15/08/15, the second by Forest Utd on 02/09/15. Only one successful EOI is required to initiate the CAT process. As the Forest Utd EOI scored highest in terms of potential contributions towards Brent Borough Plan objectives it was selected as the lead EOI to seek Cabinet authority to market the asset. The LMCRC were notified of this decision and advised that in line with the CAT process, should Cabinet grant approval to market the asset, they and any other interested, eligible organisations would be able to submit full applications.
- 3.5 The Forest Utd EOI included the Tenterden Pavilion site, Tenterden Sports Ground and the adjacent John Billam Sports Ground in its scope. Following internal consideration by Brent Officers the scope was reduced to exclude John Billam Sports Ground. These grounds were removed in order to ensure Brent could maintain flexibility of its own sporting provisions; the sports pitches at John Billam are a valuable Council asset, which are used by other teams from time-to-time and have, in the past, been used to decant teams there when refurbishing other sites. They also have their own recently refurbished changing facilities, which would in effect become redundant if the successful CAT bidder were to gain exclusive rights over the pitches. The full details of what would be included in the scope of the CAT, including the omission of John Billam Sports Ground, were included as Appendix 3 of the 20/01/16 Cabinet report. Following Cabinet approval to market the asset they were also detailed in the marketing particulars, which all bidders had sight of during the tender process.

- 3.6 The Cabinet report included a rental valuation assessment between £1,000 per annum (pa) to £1,800 pa, for a lease between 7 and 25 years with CAT restrictions. The lower figure was used as a marketing guide price as the CAT lease was initially offered on a 7 year term.

## Marketing

- 3.7 In February 2016 the Tenterden Pavilion and Sports Ground was marketed as a CAT inviting applications from eligible third sector organisations, the marketing particulars detailed the CAT policy's standard terms:

1. Leases will be granted for 7 years or less, where a longer lease is required confirmation of funding before a longer period is agreed.
2. That leases will be contracted out of the Landlord and Tenant Act 1954 with no right to renew.
3. A mutual break clause will apply.
4. A full repairing and insuring lease (the Council will insure and the tenant will reimburse the Council).
5. The ingoing tenant may not sub-let the facility, but subject to landlords consent the Council may agree subletting/licenses or shared use subject to a business case.
6. Rent reviews 5 yearly and to be uplifted by the Consumer Price Index.
7. The tenant to maintain the centre in good condition.
8. The lease to be entered into will be on the Council's standard terms.
9. The lease will contain a permitted use clause. A service agreement will be appended to the lease and if the tenant fails to perform under this agreement it may lead to termination of the lease.
10. Additional clauses comprise: no telecoms equipment to be erected, the site must be kept clear, noise must be regulated, sensitive opening and closing hours, kitchen facilities must obtain annual certificates of cleanliness, all vandalism damage to be repaired by the tenant and the tenant is responsible for installing, servicing and repairing fire equipment.

- 3.8 Interested applicants were asked to use the CAT property application form to submit their offer, the template form comprises the following questionnaire/tests:

1. The organisation test aims to ensure that the applicant is a qualifying organisation, defined in the CAT policy as a third sector organisation (TSO).
2. The organisation test ensures organisations Brent contracts with are of sufficient capacity to take on the building and deliver the proposal.
3. The draft lease Heads of Terms set out contracting conditions.
4. A service offer template asks applicants to detail their proposals in the form of a business plan including cash-flow forecasts. The service offer forms part of the lease and will be subject to an annual self- assessment by the tenant that will be submitted to the Council to review and feedback on.
5. A social value test is a more detailed version of the borough plan test aligning with Brent's vision and objectives.
6. An equality analysis asks applicants to consider the equality impact of their proposal.

## Outcome of marketing

3.9 On 31 March 2016, the application submission deadline date, six CAT applications were received from:

1. The Wembley Youth and Community Trust (WECT), a charitable body for the Lycee International de Londres School based at the former Brent Town Hall. The proposal is to develop a new high quality indoor facility on two levels with ground floor changing rooms and a first floor sports hall, a floor plate of approximately 750 sqm is anticipated. The multi-million pound facility will be funded by the Trust through fundraising and delivered over three years. On completion the management would be undertaken by Active Nation - a not for profit charitable organisation that currently work in partnership with a number of local authorities to deliver sports and exercise programmes. Their charitable objective is 'to provide or assist in the provision of facilities for recreation and other leisure time occupation for the general public in the interests of social welfare and with the object of improving their conditions of life'.
2. Forest United (1973) Youth Football Club (Forest United), a charitable body that has operated from the grounds for 25 years. Their proposal is to develop a replacement £400,000 Pavilion, and need to apply for grant funding to build the new facility. They would need Council assistance to maintain the sports ground.
3. Dhamraj Society of London (Dhamraj), a charitable body whose members have their origins in Dhamraj in India. Their proposal is to rebuild the Pavilion as community space for education, culture, recreation and employment opportunity in two years subject to planning. The Trust have £350,000 capital and may need a bank loan to fund all the costs.
4. The M&N Foundation, is a charitable organisation that had insufficient information in their application to show their ability to manage the asset and to deliver the required outcome.
5. LMCRC is a local charitable organisation and their application had insufficient information to assess whether they had the ability to manage the asset and to deliver the required outcome.
6. ICIC, is a charitable organisation, their application was partially completed but had insufficient information to determine whether they could manage the asset and to deliver the required outcome.

3.7 The rental values offered by the applicants ranged between £1,000 per annum and £2,620 per annum. This was generally within the range of the valuation, as per point 3.3 above, it is noteworthy that the rental payment is not however the primary assessment in CAT applications, the detailed criteria is as below.

## Application evaluation

3.8 In accordance with the Brent's CAT policy applications were evaluated against the following criteria:

1. Is the applicant a qualifying organisation? (non-qualifying organisations will be removed at this stage).
2. Is the applicant properly constituted and governed?
3. Does the applicant have skill and capacity to manage the asset and provide the service?
4. Do the applicant's accounts demonstrate the ability to take on the asset and deliver the service?
5. Does the applicant have experience of delivering similar projects?
6. Is the applicant a consortium?
7. Are the heads of terms submitted acceptable?
8. What service does the applicant propose to deliver?
9. What are the social value outcomes (the Brent template measures outcomes that align with the Borough Plan)?
10. What are the applicant's equality outcomes?
11. If the proposed service will be inclusive for all?
12. The form asks applicants to note any connection of interest that may create a conflict of interest issue.

3.9 The detailed application evaluation is at Appendix 2.

### Shortlisting

- 3.10 While all six applicants were registered charities and qualifying organisations, that on first assessment appeared as properly constituted and governed. The M&N Foundation, LMCRC and ICIC were not shortlisted for interview due to incomplete or insufficient information provided by them.
- 3.11 The remaining three applicants, WECT, Forest United and Dhamraj were invited to interview on 21st and 25th April 2016.
- 3.12 Following interview Dhamraj were removed from the process as their proposal to enclose the grounds did not align with the Council's requirement to maintain the grounds as public open space. They also required a 99 year lease. In addition unrestricted use of the pavilion and display car park for guests and members was needed, but this area does not form part of the CAT application proposal. In principle their terms were deemed unacceptable.
- 3.13 WECT and Forest United were invited to collaborate on the joint use of the pavilion and grounds, with the WECT leading the proposed re-development of the pavilion on the basis that they were financially able and most experienced to deliver, having recently completed the redevelopment of Brent Town Hall. The WECT proposal was considered the most visionary, making best use of available land, optimising the site's development potential resulting in the delivery of a new enhanced and much improved Pavilion facility that would benefit the WECT School in Wembley Park and be open to the community in the evenings, weekends and holiday periods.

- 3.14 The ideal arrangements would allow the WECT to use the facilities during school term times, whilst Forest United would use the facilities for set times during the evenings, weekends and holiday periods. This would have no negative impact on Forest United's current use and could allow them scope for expansion. Subject to agreement the collaboration would be a win/win for both organisations.

#### The Recommendation - a Collaborative Approach

- 3.15 The following contract arrangement is proposed:

1. That Brent enters into an agreement for lease for the Pavilion including a licence for the Grounds with WECT.
2. The agreement would be in the form of Brent's standard CAT lease that would include in the appendix the WECT's service offer, the obligation that WECT provide Forest United first option/access to the Pavilion and Grounds would be added to the standard lease.
3. A copy of the heads of terms agreed between the WECT and Forest United would form an appendix of the Brent and WECT lease and licence along with a copy of Forest United's service offer.

- 3.16 Both WECT and Forest United were asked to supply letters to confirm their support to the proposed collaboration, with a copy of the head-line Heads of Terms agreed between them. The letters of support are attached as Appendix 4 and 5.

#### Risks

- 3.17 There are risks with the WECT application:

1. Most prominent is the lack of a full business plan which they have indicated would be worked up, subject to obtaining Cabinet approval.
2. That WECT is unsuccessful with securing planning consent to build a new indoor sports facility with changing rooms together with an All Weather pitch at the ground, as there may be local opposition.
3. The WECT is unsuccessful with its funding proposal to develop the centre to its full potential although the risk is considered small.
4. That WECT could exercise the lease break option in year 3, were the pupil number not to rise to 1200 at the Lycee International de Londres School.
5. That WECT and Forest United are unable to agree terms that would allow a collaborative use of the grounds.

#### Alternative/Exit Options

- 3.18 Officers are working with WECT to develop their proposals, however should the collaborative approach be unsuccessful with Forest United then the options for Brent are:

1. To work with WECT on their own on the new sports facilities development proposal.
2. To work with Forest United to develop a much smaller Pavilion fitting on the existing pavilion foot print as detailed in Appendix 1; or



3. To consider developing the Pavilion itself, in accordance with Brent's Investment Strategy, provided the investment proposals stacks up, if this options were to be progressed it would be subject to a detailed business case to Cabinet at the appropriate time.

### Interim Arrangements

- 3.19 The poor condition and disused state of the pavilion on site has created a magnet for anti-social behaviour that has caused residents and the local residents association a lot of concern. As redevelopment plans will take some time to work through. WECT has agreed in principle to assist the Council with demolition of the pavilion. Forest United have said they will consider how a temporary structure can be built in its place, connecting into the existing services that benefit the land. The Council will need to grant a licence to enable this.

### Next steps

- 3.20 A proposed programme is set out below:

1. To continue negotiations between WECT and Forest United with the aim of cementing a partnership going forward, resulting in principal Heads of Terms between WECT and Forest United.
2. For WECT to discuss their proposals with planners and to obtain a steer as to whether their aspirations for the site are in principle acceptable.
3. Cabinet report on 27<sup>th</sup> June.
4. Subject to Cabinet approval to finalise lease and licence terms with WECT.
5. For WECT to submit a pre-planning application and subject to a positive outcome to apply for full planning approval to develop their proposals within 12 months of entering into an agreement to lease by September 2017.
6. For WECT to commence works within 3 years of entering into an agreement to lease, by September 2020.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 The current service budget will continue to fund any cost associated with the maintenance and upkeep of the facility until the asset is transferred to a third party.
- 4.2 Any residual budget will be withdrawn post transfer.
- 4.3 A saving will accrue in the 2016/17 budget & beyond should the pavilion be demolished early by the WECT. No additional ongoing costs are expected to be met by the service once the proposed transfer is complete.
- 4.4 A rental income is expected by the service from this asset transfer and any income generated will pass to the general fund. Details of the rental offers are provided within Appendix 2 to this report. The level of the rental offer is not the primary assessment in CAT applications.

## **5. LEGAL IMPLICATIONS.**

- 5.1 A landlord's break clause will be inserted. This will only be operable if service delivery milestones are not met on the basis of service delivery by the tenant 3 years after entering into the agreement to lease the pavilion, with a provision for a landlord bi-annual break option thereafter, subject to service delivery. This will be added to the existing heads of terms.
- 5.2 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease or a licence.
- 5.3 The Council must obtain the best consideration that is reasonably obtainable unless it is a lease or licence for 7 years or less.
- 5.4 Disposals on the open market, either by way of auction or by way of appointing a marketing agent, will satisfy the best consideration requirement.
- 5.5 Since the land to be leased is held as public open space the disposal of the same was advertised under Section 123 of the Local Government Act 1972 in a local newspaper for two weeks with a 21 day period for objections but none were received.
- 5.6 The form of lease to be granted will be based upon a template lease for the disposal or letting of community assets which includes provision for appending the service offer, a once a year annual review comprising the review of the service offer, details of service delivery outcomes and anticipated outcomes for the following years. The associated licence will be in template form.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 Progressing the proposed CAT will support a number of Brent's equalities objectives. The proposals provide for community engagement and involvement, safeguarding and enhancing the environmental education offer by providing opportunities for adults and children to use the Sports Grounds as part of a community based approach.
- 6.2 The marketing process aimed to ensure that all eligible organisations had equality of opportunity and could put forward an application, with marketing resulting in six applications being received.
- 6.3 WECT has an equalities policy that broadly aligns with the Council's. WECT is an experienced education and sports provider their bid provides the opportunity to not only re-instate the service but to enhance it and create increased opportunity for young people to receive sports education.
- 6.4 The Forest United (1973) Youth FC application looks to safeguard the existing service and develop this over time and the offer has some merits. There is real benefit in the proposed suggestion for both organisations to work together, as

it will ensure outcomes are delivered much sooner positively impacting Brent's overall equality objectives.

## **7. STAFFING/ACCOMMODATION IMPLICATIONS**

- 7.1 There are no staffing implications that arise directly from this report. Future staffing will be an issue for the tenant. No staff at the facility are currently directly employed by the council and no TUPE considerations apply.
- 7.2 There are no accommodation implications that arise other than the fundamental property matters that are described in detail throughout this report.

## **8. ADDITIONAL INFORMATION**

Appendix 1. Site Plan  
Appendix 2. Application Evaluation  
Appendix 3. Equality Analysis  
Appendix 4. Support Letter from WECT  
Appendix 5. Support Letter from Forest United

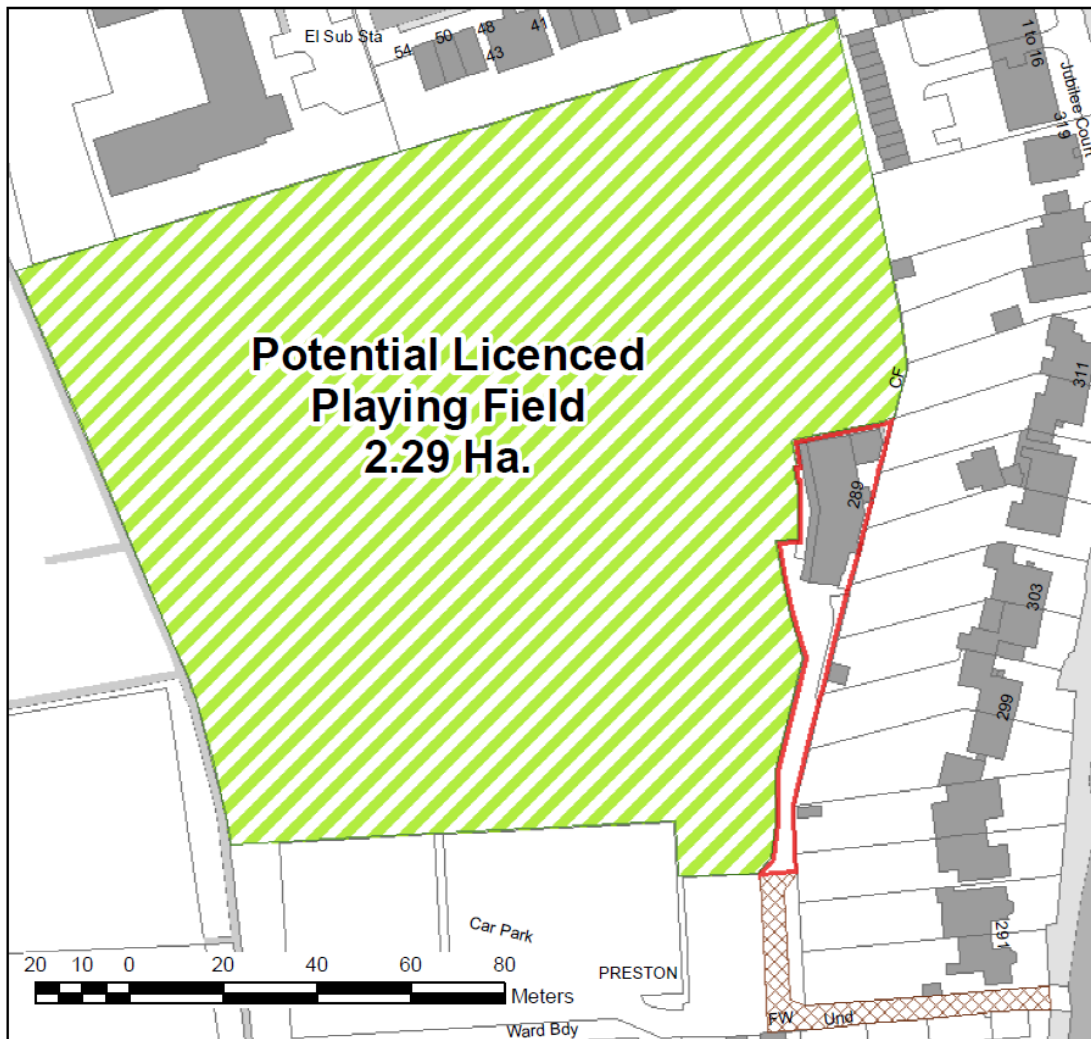
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Stephen Hughes, the Strategic Director of Resources

# Tenterden Pavilion, Preston Way, Harrow, HA3 0QQ



 Demise  Playing Fields  Right of Way

 **Brent** **1:1,250**  
Plan to stated scale if printed at A4.  
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NORTH  


Appendix 2. Application Evaluation

Criteria	WECT	Forest United (1973) Youth FC	Dhamraj Society of London	M & N Foundation	LMCRC	ICIC
<b>1. Qualifying organisation</b>	Yes. Registered charity	Yes. Registered charity	Yes. Registered charity	Yes. Registered charity	Yes. Registered charity	Yes. Registered charity
<b>2a. Properly constituted and governed.</b>	Yes. Not for profit charity with board of governors.	Yes. Charity with board of trustees.	Yes. Charity governed by constitution with a board of trustees.	Yes. But no supporting info.	Yes. Charity governed by constitution.	Yes. Registered charity limited by guarantee.
<b>2b. Skill and Capacity to manage asset and provide service</b>	Has project managed the construction, delivery & management of the Lycee International de Londres at the former Brent Town Hall.	No direct skills but would allocate the work to a project management company.	Undertaken smaller scale projects & has pool of expertise from different backgrounds.	No supporting information	Yes. But no supporting information	Expertise to be brought in.
<b>2c. Accounts demonstrate ability to take on asset and deliver service</b>	Founded in 2013. Accounts for 2014 available. Accounts for 2015 available from June 2016. Experienced project managers & packed by the French Government.	Accounts available. Experienced charity but would need to buy in expertise & raise capital for service delivery.	Accounts available for inspection. Experienced charity but would need to buy in expertise & has some capital for service delivery.	Profit & Loss account for 2014 & 2015. Personal bank account details indicating funds are available.	Have indicated a bank statement can be supplied	Indicated audited accounts were included but were not available on the application.
<b>2d. Experience of delivering similar projects</b>	Delivered new Lycee International de Londres School at £40m cost in 2015.	No similar scale experience.	Delivered smaller scale project.	No supporting information	No supporting information	Expertise to be brought in.

<b>2e. Copy of equality policy</b>	Yes	Yes.	Yes	No supporting information	The equalities monitoring questionnaire was ticked indicating 7 out of 9 positive outcomes.	Was Indicated yes. But no supporting information supplied.
<b>2f. Consortium</b>	No	No.	No	No supporting information	No	No
<b>3. Analysis of heads of terms.</b>	Rental offer £1,000 per annum on a 25 year plus lease with a lease break option in year 3.	Rental offer £2,620 pax on a 25 year lease term.	Rental offer £1,500 pax on a 99 year lease term.	Rental £1,000 pax on a 25 year lease term.	Rental £1,000 pax on a 20 year lease term.	Rental £1,000 pax on a 7 year lease.
<b>4. Service Offer.</b>	To provide new indoor sports facility together with new All Weather pitch.	To provide new sports pavilion with an indoor community facility.	To provide new sports facility with a community hall and to fence the grounds in full.	No additional information was provided.	No additional information on whether the pavilion would be repaired or replaced was provided.	To construct a replacement timber pavilion at the site for sporting and community activities.

<p><b>5. Social value test.</b></p>	<p><u>Better Lives</u>  1. Enabling people to live better lives  Year 1 - £172,800  Year 2 - £172,800  2. Generating jobs for local people-  Full time  Year 1 - £0  Year 2- £28,672.80  Part time  Year 1 - £0  Year 2 - £0  3. Supporting local enterprise -  3.1-Brents SME's in supply chain -  Year 1-£15,000  Year 2-£15,000  3.2 Free use of assets to SME -  Year 1-£0  Year 2 -£0  4. Making sure our schools are the best.  Year 1 - £6,010  Year 2 - £6,010  <u>Better Place</u>  1. Making sure Brent is a better place to live.  Year 1 - £9,616  Year 2 - £9,616  2. Increase the supply of good quality arts &amp; leisure facilities</p>	<p><u>Better Lives</u>  1. Enabling people to live better lives  Year 1 - £96,000  Year 2 - £144,000  2. Generating jobs for local people-  Full time  Year 1- £0  Year 2- £0  Part time  Year 1 - £0,  Year 2 - £8,372  3. Supporting local enterprise -  3.1-Brents SME's in apply chain -  Year 1-£750  Year 2-£1500  3.2 Free use of assets to SME -  Year 1-£0  Year 2 - £0  4. Making sure our schools are the best.  Year 1 - £0  Year 2 - £1,442.40  <u>Better Place</u>  1. Making sure Brent is a better place to live.  Year 1 - £0  Year 2 - £0  2. Increase the supply of good</p>	<p><u>Better Lives</u>  1. Enabling people to live better lives  Year 1 - £9,360  Year 2 - £18,720  2. Generating jobs for local people-  Full time  Year 1 - £28,672  Year 2- £57,345  Part time  Year 1 - £0  Year 2 - £0  3. Supporting local enterprise -  3.1-Brents SME's in apply chain -  Year 1-£1,125,000 (confirmed error)  Year 2-£0  3.2 Free use of assets to SME -  Year 1-£90.54  Year 2 - £150.90  4. Making sure our schools are the best.  Year 1 - £2,404  Year 2 - £3,606  <u>Better Place</u>  1. Making sure Brent is a better place to live.  Year 1 - £72.12  Year 2 - £108.18  2. Increase the supply</p>	<p>No supporting information provided.</p>	<p>Social Value Test provided instead of the Social Value Calculator.</p>	<p>No supporting information provided.</p>
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	<p>Year 1 - £0 Year 2 - £0 <u>Better Locally</u> 1.1 Building resilience &amp; promoting local community Year 1- £0 Year 2 - £0 1.2 Accessing for social &amp; community activities for local people. Year 1 - £0 Year 2 - £0 2. Building partnerships Year 1 - £603 Year 2 - £603 <u>Other Measures</u> 1.Other measures hours Year 1 - £240 Year 2 -£240 2. Other measures pounds Year 1 -£0 Year 2- £0 <u>Sum of Social Value</u> Year 1 - £204,029.60 Year 2- £232,702.40 + £2m investment in a new Pavilion facility.</p>	<p>quality arts &amp; leisure facilities Year 1 - £50,000 Year 2 - £350,000 <u>Better Locally</u> 1.1 Building resilience &amp; promoting local community Year 1- £38,640 Year 2 - £84,140 1.2 Accessing for social &amp; community activities for local people. Year 1 - £0 Year 2 - £0 2. Building partnerships Year 1 - £0 Year 2 - £0 <u>Other Measures</u> 1.Other measures hours Year 1 - £0 Year 2 - £0 2.Other measures pounds Year 1 - £0 Year 2 - £0 <u>Sum of Social Value</u> Year 1 - £185,214 Year 2- £591,014 + £910,000 in year 3</p>	<p>of good quality arts &amp; leisure facilities Year 1 - £750,000 Year 2 - £50,000 <u>Better Locally</u> 1. Building resilience &amp; promoting local community. 1.1 Number of volunteering opportunities Year 1- £300.50 Year 2 - £480.80 1.2 Accessible social &amp; community activities Year 1 - £15,000 Year 2 - £25,000 2. Building partnerships Year 1 - £3,621.60 Year 2 - £4,527 <u>Other Measures</u> 1.Other measures hours Year 1 - £7,212 Year 2 - £10,818 2. Other measures pounds Year 1- £13,500 Year 2- £4,500 <u>Sum of Social Value</u> Year 1 - £1,934,521.56 (confirmed error) Year 2- £159,938</p>			
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<b>6. Equalities outcomes</b>	WECT have indicated a positive outcomes for disability, gender identity, race, religion & belief, sex, sexual orientation.	FU(1973)YFC have indicated a positive outcome on all the 9 protected characteristics of age, disability, gender identity, marriage & civil partnership, race, religion & belief, sex, sexual orientation.	Dharmaj Society of London have indicated a positive outcome on all the 9 protected characteristics of age, disability, gender identity, marriage & civil partnership, race, religion & belief, sex, sexual orientation.	No supporting information	LMCRC indicated a positive outcome on 7 out of 9 protected characteristics of age, disability, gender identity, marriage & civil partnership, race, religion & belief, sex, sexual orientation.	ICIC have indicated a positive outcome on all the 9 protected characteristics of age, disability, gender identity, marriage & civil partnership, race, religion & belief, sex, sexual orientation.
<b>6a. Inclusive to all</b>	Yes	Yes	Yes	No supporting information	Yes.	Yes
<b>7. Equality monitoring.</b>	Brent standard equalities monitoring questions were fully completed and received in the equalities section.	Brent standard equalities monitoring questions were fully completed and received in the equalities section.	Brent standard equalities monitoring questions partially completed and received in the equalities section.	No supporting information	Brent standard equalities monitoring questions fully completed and received in the equalities section.	Brent standard equalities monitoring questions partially completed and received in the equalities section.
<b>8. Connection or interest.</b>	None noted	None noted	None noted	No supporting information	None noted	None noted

## Appendix 4. Support Letter from WECT

### WEMBLEY EDUCATIONAL CHARITABLE TRUST LTD (WECT)

French Embassy Cultural Department, 23 Cromwell Road, London SW7 2EL  
020 7073 1309

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To:  
Amin Soorma  
Brent Council  
Brent Civic Centre  
Engineers Way  
Wembley  
HA9 0FJ

25<sup>th</sup> May 2016

Dear Sir,

We would like to thank you for the Community Asset Transfer opportunity proposed by Brent Council and the positive feedback received to date for our proposal.

The Trustees of the Wembley Educational Charitable Trust are fully in support of the project to develop new sporting facilities on your Tenderden site. We feel there is an excellent opportunity to work with Brent Council and Forest United to provide facilities for our school use and for community use, principally by Forest United.

Yours sincerely



Lorène Lemor  
Trustee of Wembley Educational Charitable Trust

---

Registered in England 08681480 – Registered Charity 1153762

## Appendix 5. Support Letter from Forest United



Forest United (1973) Youth Football Club Limited  
[www.forestunitedyouthfc.co.uk](http://www.forestunitedyouthfc.co.uk)

**President:** Jim Bragg

**Chairman:** Richard Page

Sarah Chaudhry  
Property Services  
Department of Resources  
Brent Council  
Brent Civic Centre  
Engineers Way  
Wembley  
HA9 0FJ

20 May 2016

### WITHOUT PREJUDICE

Dear Sarah,

#### **Community Asset Transfer Proposal - Tenterden Sports Ground and Pavilion, Preston Road, Preston Way, HA3 0QP**

Your suggestion that Forest prepare a joint proposal with a fellow bidder, Wembley Educational Charitable Trust, has been discussed at length amongst our Management and Development Committees.

We recognise there is a potential benefit for both parties and the community generally in doing so and we support working toward preparation of a joint proposal for consideration by Cabinet.

We would like it noted that our preference is for our original submitted proposal, which we require to remain entered as a viable proposal and it be tabled for due consideration along with this joint proposal from yourselves.

Our collaboration with Wembley Educational Charitable Trust does not in any way infer a withdrawal of our standalone proposal and incorporates the following expected key outcomes:

a) Forest United will be a joint key holder with satisfactory and agreeable sublease terms with a suitable lease term.

FOREST UNITED



(1973) YOUTH FC.

Forest United (1973) Youth Football Club Limited  
[www.forestunitedyouthfc.co.uk](http://www.forestunitedyouthfc.co.uk)

**President:** Jim Bragg

**Chairman:** Richard Page

Sarah Chaudhry  
20 May 2016  
Page 2

b) This project would be an entirely joint venture from the start, with both parties having an equal say in the process and subsequent build.

c) Forest and Brent enter arrangements for Forest's longer term access to the facilities on John Billam Sports Ground as part of this joint proposal. Security of access to facilities is vital to the long-term growth and sustainability of Forest United.

We reserve the right to amend and/or add to the above considerations should the need arise, as more information of the exact form this joint proposal will take becomes apparent as the collaboration takes shape.

Sincerely,

Richard Page  
Chairman



**CHARTER STANDARD  
DEVELOPMENT CLUB**

**Registered Office**

Scorpius House  
Park Lane  
Teddington  
Middlesex  
TW11 0HY  
United Kingdom

**Registered Charity Number:** 1161923  
**Company Number:** 9581611



# Tenterden Pavilion and Sports Ground Proposed Lease

**Department**

Regeneration and Growth

**Person Responsible**

equality@brent.gov.uk

**Created**

20th May, 2016

**Last Review**

20th May, 2016

**Status**

Complete

**Next Review**

1st June, 2017

## Screening Data

1. What are the objectives and expected outcomes of your proposal? Why is it needed? Make sure you highlight any proposed changes.

Brent's Cabinet Report in January 2016 approved the proposal to Community Asset Transfer (CAT) the Tenterden Pavilion & Sports Ground to a third sector organisation (TSO).

By all accounts the grounds are well used by a local football club, however the pavilion has become in a poor state of repair and is no longer fit for purpose. The Council has no allocated budget to return it to a useful state of repair.

The CAT provides for the asset to be leased to a TSO, aiming to build capacity and capability in Brent's TSO community, while bringing a disused, but in demand Pavilion back into use, reducing anti-social behaviour and costs associated with managing an empty asset, generating management and maintenance savings, with an opportunity to improve the use and condition of the surrounding grounds.

2. Who is affected by the proposal? Consider residents, staff and external stakeholders.

Residents. The condition of the pavilion has attracted anti-social behaviour to the area that has affected the neighbouring housing. The proposed CAT will enable a TSO organisation directly to manage the proposed re-generation of the pavilion.

Staffing. There are no staffing issues. On completion of the CAT the operators will employ their own staff.

External Stakeholders. Unison. The CAT will enable the operators of the re-generated pavilion to review if the former Unison occupiers are prepared to return to the site.

Other Members of the community. That may use the proposed new sporting facilities or football training provided by Forest United.

3.1 Could the proposal impact on people in different ways because of their equality characteristics?

- Yes

If you answered 'Yes' please indicate which equality characteristic(s) are impacted

- Age
- Disability
- Race

## Age

WECT. Impact Neutral. The charity indicates that although they do not actively seek to promote a greater social inclusion of this, the work that the charity delivers as a school is fully inclusive and non-discriminatory.

Forest United. Impact positive. The charity has detailed that they will ensure that the facilities are available to all age groups.

## Disability

WECT. Impact positive. The charity indicates that they will ensure that the facility and services are available to all communities regardless of disability.

Forest United. Impact positive. The charity has detailed that they will ensure that the facilities are available to all communities regardless of disability.

## Religion or belief

WECT. Impact positive. The charity indicates that they will ensure that the facility and services are available to all communities regardless of religion or belief.

Forest United. Impact positive. The charity has detailed that they will ensure that the facilities are available to all communities regardless of religion or belief.

### 3.2 Could the proposal have a disproportionate impact on some equality groups?

- Yes

If you answered 'Yes', please indicate which equality characteristic(s) are disproportionately impacted

- Other (please specify)

Others: The WECT proposal will result in a new facility, that will command a higher rent from Forest United. Anything other than a reasonable increase may impact Forest United's ability to pay and access the facility and grounds and this may have an adverse effect on young people.

### 3.3 Would the proposal change or remove services used by vulnerable groups of people?

- Yes

The proposed services offered by both the WECT and Forest United has the potential to change overtime. As these services are provided to young people there is a potential that the changes may impact vulnerable groups of people that use the service. The CAT process is flexible, allowing providers the ability to alter their service offer over time with changes captured through the annual self assessment process that is undertaken by tenants and submitted to the Council to review and feedback on.

### 3.4 Does the proposal relate to an area with known inequalities?

- Yes

As the proposed services is for all young persons both in Brent and outside. It is likely the service offer will be accessed by young people from a range of backgrounds. Including those that live in deprived areas, or areas with high crime, high health issue or low education attainment, employment and families living in social housing, that may be benefit dependant.

### 3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?

- Yes

If you answered 'Yes', please indicate which equality characteristic(s) are impacted

- Other (please specify)

Low Income Households. The Brent Borough Profile shows Brent residents have the second lowest gross average income of all the London boroughs. Any significant increase in the fees by WECT to Forest United to access the sit may have an adverse effect Forest United's ability to use the site and their young persons ability to pay.

### 3.6 Does the proposal relate to one of Brent's equality objectives?

- Yes

To know and understand all our communities. The proposal from the WECT and Forest United provide for community engagement.

To involve our communities effectively, both proposals provide for community involvement.

To demonstrate leadership in equalities and human rights, both within the Council and amongst partners and organisational commitment to excellence. The proposal attempts to safeguard the Tenterden Sports Ground by providing opportunities for children in Brent and surrounding areas. Additionally it offers the potential for wider access by the community of new sporting facilities.

## Recommend this EA for Full Analysis?

Yes

## Comments

In respect of CAT and marketing both applicants submitted organisational equality data that was broadly in line with Brent's equality policy.Â Â

## Rate this EA

N/A

## Impact Assessment Data

5. What effects could your policy have on different equality groups and on cohesion and good relations?

5.1 Age (select all that apply)

- Positive
- Unknown

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position unknown. However the charity's work is inclusive of age as a trust body for the Lycee International de Londres School and has a pupil intake from an early age to secondary school level

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in Brent and the surrounding area regardless of age.

5.2 Disability (select all that apply)

- Positive

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position positive. The WECT have said that the re-generated Tenterden Pavilion and Sports Ground facility will remain available to all communities regardless of disability within Brent and surrounding areas. The diversity and deprivation levels in Brent mean that for some residents the use of the proposed new facility may be the one and only

time that such an experience takes place.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in Brent and the surrounding area regardless of disability.

### 5.3 Gender identity and expression (select all that apply)

- Positive

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position positive. The WECT have said that the re-generated Tenterden Pavilion and Sports Ground facility will remain available to all communities regardless of gender identity within Brent and surrounding areas outside school term times. The diversity and deprivation levels in Brent mean that for some residents the use of the proposed new facility may be the one and only time that such an experience takes place.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in Brent and the surrounding area regardless of gender identity.

### 5.4 Marriage and civil partnership (select all that apply)

- Positive
- Unknown

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position unknown. Whilst the WECT do not actively seek to support greater inclusion of this, the work of the charity delivers is fully inclusive and non-discriminatory.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all person in Brent and the surrounding area regardless of their marriage or civil partnership position.

### 5.5 Pregnancy and maternity (select all that apply)

- Positive

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position positive. The WECT have said that the re-generated Tenterden Pavilion and Sports Ground facility will remain available to all communities regardless of pregnancy and maternity within Brent and surrounding areas outside school term times. The diversity and deprivation levels in Brent mean that for some residents the use of the proposed new facility may be the one and only time that such an experience takes place.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in Brent and the surrounding area regardless of pregnancy or marriage position.

### 5.6 Race (select all that apply)

- Positive

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position positive. The WECT have said that the re-generated Tenterden Pavilion and Sports Ground facility will remain available to all communities regardless of race. The diversity and deprivation levels in Brent mean that for some residents the use of the proposed new facility may be the one and only time that such an experience takes place.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in



Brent and the surrounding area regardless of their racial profile.

#### 5.7 Religion or belief (select all that apply)

- Positive

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position positive. The WECT have said that the re-generated Tenterden Pavilion and Sports Ground facility will remain available to all communities regardless of religion or belief. The diversity and deprivation levels in Brent mean that for some residents the use of the proposed new facility may be the one and only time that such an experience takes place.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in Brent and the surrounding area regardless of their religion or belief.

#### 5.8 Sex (select all that apply)

- Positive

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position positive. The WECT have said that the re-generated Tenterden Pavilion and Sports Ground facility will remain available to all communities regardless of sex. The diversity and deprivation levels in Brent mean that for some residents the use of the proposed new facility may be the one and only time that such an experience takes place.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in Brent and the surrounding area regardless of their sex.

#### 5.9 Sexual orientation (select all that apply)

- Positive

The CAT process aims to ensure opportunity for all and an open market process inviting applications from eligible organisations.

The response below are as per each application service analysis.

WECT - Position positive. The WECT have said that the re-generated Tenterden Pavilion and Sports Ground facility will remain available to all communities regardless of their sexual orientation. The diversity and deprivation levels in Brent mean that for some residents the use of the proposed new facility may be the one and only time that such an experience takes place.

Forest United - Position positive. Forest United have detailed that the facility is to be available to all young person in Brent and the surrounding area regardless of their sexual orientation.

#### 5.10 Other (please specify) (select all that apply)

- Unknown

6. Please provide a brief summary of any research or engagement initiatives that have been carried out to formulate your proposal.

What did you find out from consultation or data analysis?

Were the participants in any engagement initiatives representative of the people who will be affected by your proposal?

How did your findings and the wider evidence base inform the proposal?

The Community Asset Transfer (CAT) tender marketing campaign resulted in six applications for the Tenterden Pavilion and Sports Grounds. Three of the applicants provided insufficient information to move their application forward. After a presentation interview of the remaining three, one further applicant was informed their long lease requirements and the need to fully enclose the site was not what was on offer at the site and their application was

taken out of the tender process.

The WECT are an established charitable body registered for teaching and sports development. Their equalities analysis comments covered 7 out of the 9 protected characteristics and are broadly in line with the Council equality policy.

Forest United's are an established charitable body registered for sports development. Their equalities analysis comments in respect of the 9 protected characteristics were satisfactory.

7. Could any of the impacts you have identified be unlawful under the Equality Act 2010?

- No

8. What actions will you take to enhance any potential positive impacts that you have identified?

The Council will require the CAT leaseholders to submit a annual self assessment comprising a service review on a regular basis with the time frame to be agreed.

This monitoring approach will enhance the potential positive impacts that have been identified in the report.

9. What actions will you take to remove or reduce any potential negative impacts that you have identified?

There are no negative impacts identified.

10. Please explain the justification for any remaining negative impacts.

N/A

## Comments

As identified in the screening stage, progressing the proposed CAT will enable a number of Brent's equalities objectives to be met. The proposal provides for community engagement and involvement, safeguarding and enhancing sports facilities, providing opportunities for everyone to receive a sports related use. WECT proposals offer in a highly diverse borough such as Brent a real opportunity for to greater participation in sports related activities.

The marketing process aimed to ensure that all eligible organisations has equality of opportunity and could put forward an application. The marketing process resulted in six applications submitted. The WECT proposal is better aligned to maximise the use of the site with a new enhanced sports and changing room facility with a new All Weather pitch and as an experienced provider, their bid provides the opportunity to enhance the service and create increased opportunity for young people to make use of the proposed sports facility. The Forest United application looks to replace the existing pavilion and develop this over time and the offer has some merits. There is real benefit in the proposed suggestion for both organisations to work as together, as it will ensure outcomes are delivered much sooner.

## Organisation Sign-off Data

11. What did this equality analysis conclude?

- The proposal was found to have some justifiable negative impacts

12. Please write a brief summary of your equality analysis which should be included in the 'diversity implications' section of any reports.

The proposal for WECT and Forest United to collaborate should result in an overall positive equality impact.

During the Day, the WECT's school's community and young people will use the proposed new facility.

In the evening and weekends, Forest United's football trainer's, largely young people and adult volunteers will use the facility.

Additionally, the plan to provide an enlarged facility, will provide opportunity for other sections of the community to access a new and much improved, possibly state of the art sporting venue.

There is however the risk that WECT and Forest United, will not be able to agree terms, this would be an unfortunate outcome for both organisations and the local community.

13. I confirm that this equality analysis represents a fair and reasonable view of the implications of this proposal on equality and that appropriate actions have been identified to address the findings.

Enter your name

Sarah Chaudhry

Enter your designation

Head of Property

Enter your department

Resources

Enter today's date

25-05-2016


### **Next Review Date**

2017-06-01

## **Outstanding Actions**

No outstanding actions

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 <b>Brent</b>	<b>Cabinet</b> 27 June 2016
	<b>Report from Strategic Director, Community Wellbeing</b>
For Action	Wards affected: All
<b>BHP &amp; Future Housing Management Arrangements</b>	

Not for publication

Appendix 2 to this is exempt information under paragraph 3 of Schedule 12A to the Local Government Act 1972.

## 1. Summary

- 1.1. The government's Housing and Planning Act (2016) and other measures will have a significant impact on the council's housing stock including on its future size, financial performance and management over coming years.
- 1.2. The Council entered into a new 10 year Management Agreement with Brent Housing Partnership (BHP) in April 2013 for the management of the council's housing stock. This required BHP to provide services and achieve performance in accordance with an annually agreed Delivery Plan. In 2015/16 BHP failed to achieve the required outcomes and performance standards in a number of respects. BHP have put in place a recovery plan to address this which was originally intended to run until end June 2015 but it is proposed to now extend to end September 2016. The council is also formally notifying BHP under the Management Agreement of the need to remedy under-performance in the areas of most significant concern.
- 1.3. The management and performance of the stock investment programme in 2015/16 is a particular concern and the findings of a recent fact-finding audit commissioned by the council are provided and details of associated commercial matters and risks are set out including as appropriate in an exempt section to this report.
- 1.4. In view of the challenges presented by the government's reforms it is necessary to consider afresh the most appropriate arrangements for the management of the council's stock while taking account of BHP's performance under the Management Agreement.

- 1.5. This report outlines three main options open to the council which are to continue with provision by BHP, for the council to directly provide the service in-house or to enter into a partnership arrangement with another organisation to provide these services.
- 1.6. Cabinet are therefore asked to agree to commence a formal review of these housing management options. This review will include consultation with tenants and leaseholders to gain insight into satisfaction with the current service and priorities for future provision, and to inform the criteria for decision between the options.
- 1.7. It is proposed to bring a further report to Cabinet in October 2016 setting out the results of the review and associated consultation. This report will also advise on whether performance has been successfully remedied in the areas formally notified under the Management Agreement and also report on the progress made during the period of the BHP recovery plan. Cabinet will be asked to conclude on its preferred option for future Housing Management Services.

## **2. Recommendations**

That Cabinet:

- 2.1 Note the areas of performance to be formally addressed by BHP in accordance with the Recovery Plan
- 2.2 Agree that the Recovery Plan period extend until 30 September 2016 following which progress against the plan will be reported to Cabinet.
- 2.3 Note the position in respect of the commercial negotiations between BHP and Wates and delegate to the Strategic Director, Community Wellbeing in consultation with the Lead Member for Housing and the Chief Financial Officer agreement with BHP on the final terms of settlement with Wates within the parameters set out in the exempt section to this report.
- 2.4 Authorise that a formal review led by the Strategic Director Community Wellbeing be undertaken of the options for the future management of the council's tenanted and leasehold stock as outlined in this report with associated consultation with tenants and leaseholders and for the results of that review to then be reported to Cabinet.

## **3. Detail**

### **Government Housing Reforms**

- 3.1 Over the past five years the council has had to contend with major financial challenges as central government funding has fallen and this is due to further reduce over the next few years. Service pressures are, however, increasing as a result of demographic change, and other government reforms. These include the impact of a raft of welfare reforms, and in particular limitations to housing benefit against a backdrop of rising private market rents driven by inadequate new housing supply.

3.2 In response the council is developing a vision for Brent in 2020 which aims to maximise resources while managing service demands and, particularly through raising employment and skills levels, to enable residents to mitigate the impact of welfare changes. There is a high correlation between low employment and skills levels, poverty and social housing in Brent and council tenants include many vulnerable individuals. Outcome-based reviews (OBRs) are currently underway which will reshape delivery by the council and its partners in three priority areas including in relation to housing provision and tenancy sustainment for vulnerable people. These reviews are fundamentally rethinking and re-designing services in the context of resource constraints.

3.3 These challenges and the council's strategic response to them provide the context to the specific challenges and options arising from the government's housing reforms, and the need, as the OBRs demonstrate, to redesign existing service provision to optimise outcomes for residents and to best deploy reducing resources to these ends. Brent's housing stock also constitutes the great majority of land and property assets in the council's ownership which may be able to contribute to income generation and value growth.

3.4 The Housing and Planning Act received Royal Assent on 12 May 2016. The provisions of the bill are wide-ranging and a number of these, and associated reforms, will have a significant impact on Brent's council housing and its financial position in coming years.

3.5 The main relevant provisions, and their implications are:

#### **High-value Council Housing Disposal**

- i) The council will be required to consider the disposal of void higher-value properties and, from this year, pay a levy to government calculated on the receipts it is estimated that could be raised from the market disposal of these units. The levy will in turn fund RTB discounts following the extension of RTB to housing association tenants.
- ii) The definition of higher-value properties and the formula for the calculation of the levy for each authority will shortly be set out in regulations. Until these are published the impact on the council's housing stock is not known but a reasonable estimate at this point is that the levy could equate to disposal of 1 in 3 void properties, or around 70 units per annum.
- iii) The council will retain a portion of the receipt to provide replacement units, and a reduced levy and greater proportion of the receipt may be retained where the council commits to replace each unit sold with two units but, again, details on this are not currently known. The council's ability to provide replacement units directly itself will, however, be severely limited by the borrowing cap within the HRA.

#### **Pay to stay**

- iv) Council tenants with a household income of over £40,000 will be charged higher rents on a tapered basis up to full market rents and the government currently intends to bring in this measure from April 2017. It is not known how many Brent council tenants will be affected but a

London-wide estimate is that 10-15% of tenants would be, equating to around 800-1,200 Brent council tenants. Responsibility for administering this scheme will rest with each local authority and reasonable administration costs should be recoverable. The additional net rent raised will, however, be payable to government. It is expected that a number of affected tenants will opt to exercise their RTB rather than pay these higher rents.

### **Social Rent reduction**

- v) This measure in the Welfare Reform and Work Act (2015) prescribed a 1% reduction in council rents in April 2016 and for the following three years, with no assurance as to rent changes beyond 2020. This is a sharp departure from the previous rent guidance which provided for annual rent increases of CPI+1% or more. As a result rents will fall in each of the four years by around £0.5m and by 2019/20 rental income will be approximately £7.5m less than expected under the previous rent guidance.

3.6 Taken together these reforms will have a significant impact on the council's housing stock and finances. The size of the council's stock was already expected to reduce as a result of the regeneration and redevelopment of South Kilburn and through existing RTB activity. After taking account of the government's new reforms it is estimated that the number of Brent Council properties could fall from around 8,300 in 2015/16 to around 7,300 by 2020, a reduction of 12%. This loss will be offset to only a limited extent by the council's new-build programme.

3.7 The reduction in income as a result of the rent cuts and from the loss of units will put considerable pressure on the council's housing revenue account (HRA), and the reduced size of the council's stock will reduce economies of scale. These reforms will also reduce the ability of the council to directly meet housing needs.

3.8 The government has also set a new housing policy direction centred on increasing levels of home ownership. This includes a requirement for Starter Homes on all but the smallest sites which will significantly reduce the future ability to secure affordable rented housing through the planning system, and future grant funded programmes for such housing are also expected to be very limited if they exist at all.

3.9 In view of the impact of these reforms, and the wider changes to the housing landscape, it is necessary to review the strategic options for the management and operation of the council's housing stock. In doing so, central consideration will need to be given to which approach will best support the provision of high quality housing management services to tenants and leaseholds and the need to generate significant savings and efficiencies to offset falling income. Significant reform and re-design of existing services will be required to achieve these objectives. Additionally the review provides an opportunity to consider the wider contribution each of the alternative options can make to the council's Brent 2020 vision and wider objectives.

### **Brent Housing Partnership**

3.10 Brent Housing Partnership (BHP) currently provide housing management services to the council's c.12,000 tenanted and leasehold homes.



3.11 BHP was established in 2002 and in April 2013 the Council entered into a new 10 year Management Agreement. As well as responsibility for the full range of housing management services including rent collection, tenancy management, facilities estate management and leaseholder management, BHP are responsible for the management of responsive repairs and stock maintenance and improvement works. In 2013 BHP were also charged with responsibility for the development of new affordable homes on existing council estates on the council's behalf. They also manage some temporary accommodation for the council including regeneration properties at South Kilburn.

3.12 In respect of the core housing management services BHP receive a fee which is set annually as part of the HRA budget-setting process. In recent years the fee has been reduced by a small efficiency element and pro-rata to reflect reductions in stock numbers. These reductions have, however, been partly offset by increases to meet specific costs. The Management Fee for 16/17 is £7.458m a reduction of £191,000 on 15/16 reflecting a saving from efficiencies and stock loss of 11.5% offset by increased provision for pension and NI contributions and council recharges for services.

3.13 When the Management Agreement was reviewed the opportunity was taken to extend the provision of council services, in particular support services to BHP and £1.24m of the BHP Management fee is spent through SLAs on these council services.

3.14 Despite the efficiency savings that have been made BHP's fee is, compared with peer housing management providers (housing associations, councils and other ALMOs in London), at or above the average and well short of the cheapest quartile of peers. The government's housing reforms, and in particular the rent reductions to 2020 affect all social housing providers and universally others are seeking to make significant savings in response – intelligence from the sector suggests target savings of 25-30% in revenue costs, of which housing management costs are an element, is not untypical across the sector.

3.15 BHP receive additional fees in relation to the management of the stock investment programme, the development programme and for the management of temporary accommodation for the council. BHP also directly own a small portfolio of rented homes.

3.16 The Management Agreement BHP requires BHP to provide services and achieve performance in accordance with an annually agreed Delivery Plan. In 2015/16 BHP failed to achieve the required outcomes and performance standards in a number of respects. Overall satisfaction levels are notably below benchmark levels.

3.17 In response BHP put in place a Recovery Plan in January this year. This sets out a number of key actions and outcomes, and performance measures. It was originally intended for the Recovery Plan period to run until end June 2015. It is, however, appreciated that 6 months is a relatively short period in which to turn performance around, and indicators such as tenant and leaseholder satisfaction will necessarily lag behind improvements in performance. BHP have therefore requested that the turnaround period should be extended to 9 months, concluding at end September, to provide a sufficient period to both achieve the outcomes set and to demonstrate the organisation is on a clear trajectory of continuing improvement and it is proposed to agree to this.

3.18 Progress against the plan is being overseen by a Transformation Board made up of BHP Board members and officers and council officers. BHP have also brought in new interim directors for transformation and asset management to lead delivery of key areas of the Recovery Plan.

3.19 The council is also formally notifying BHP under the Management Agreement of the need to remedy under-performance in the areas of most significant concern. A summary of the Recovery Plan is provided at Appendix 1.

3.20 One major area of concern has been BHP's management of the stock investment programme and in particular the asset management contract with Wates Group. The council commissioned a fact-finding audit into this which reported in March and found deficiencies in BHP's management of the Wates contract and other programmed audits of fire and water servicing evidenced a more general weakness in contract management arrangements. A revised structure led by the new interim Director of Asset Management at BHP with strengthened compliance has been introduced with a first priority being implementation of the recommendations arising from the audits.

3.21 As a result of issues with the management and the operation of the integrated asset management contract Wates have advised significant additional costs that they consider they are in part entitled to claim for. BHP have commissioned an external advisor to assess the merit of Wates position and their assessment is expected in by the end of June. An account of the commercial issues and negotiations undertaken by the council and BHP with Wates is provided in an exempt appendix 2.

3.22 Over the first three months of the Recovery Plan period there has been progress in a number of areas and work is underway across all the priority areas identified in plan. One significant area of concern was the poor quality and responsiveness of customer service including dealing with repair requests, and the quality and timeliness of complaints and Member Enquiries responses. The customer service team has been reformed, a separate complaints function has been established, and the timeliness and quality of response to member enquires has improved markedly.

3.23 Progress, both against the Recovery Plan and more generally will continue to be driven forward by BHP with the council's assistance, over the remaining 3 months.

### **Strategic Housing Management Options Review**

3.24 A council-led review of future options for Housing Management services will be undertaken. The review will be chaired by the Strategic Director, Community Wellbeing and draw in external resource and expertise as necessary.

3.25 The purpose of the review is to evaluate how best to deliver housing management services to the council's stock given the housing reforms and wider context previously discussed and to support the achievement of positive outcomes more widely for residents. The criteria for the evaluation of the options will be refined through the review informed by tenant and leaseholder engagement but provisionally will include the extent to which each option:

- Assures the provision of modern, high-quality and continuously improving housing management services to tenants and leaseholders

- Achieves significant efficiencies and savings to contribute to the financial sustainability of the council's housing revenue account
- Maximises the value and performance of the council's housing stock through active asset management and new development.
- Contributes to improved outcomes for council tenants including in respect of employment and training, health and wellbeing and tenancy sustainment for vulnerable tenants.

3.26 Review of the current Housing Strategy (2014-19) has commenced in light of the government's reforms and work is also underway to assess the implications and options for the HRA Business plan, and these pieces of work will help to inform the housing management review.

3.27 The review will include engagement with tenants and leaseholders to establish their views and how they value the current services provided and their priorities for future service provision. Existing consultative arrangements will be utilised and in addition focus groups will be held to gain additional insight. Internal and external stakeholders will also be engaged through the review.

3.28 The views and service priorities elicited through the consultation will inform evaluation of the main alternatives for housing management services. These are:

- To continue with BHP on a reformed basis
- To bring the service in-house and directly provide housing management services
- To enter into a partnership with another organisation to provide these services

It is expected that the review will be completed by September and the results and recommendations arising from it will then be reported to Cabinet together with an assessment of progress made by BHP over the Recovery Plan period. An overview of each of these options is provided below.

### **Continuation with BHP**

3.29 Formally this is the most straightforward option but practically will require further and significant reform to assure continued progress, to generate significant cost reductions and to achieve wider outcomes. New operating arrangements and service structures will be needed to achieve this. Preliminary examination of a new Target Operating Model has recently been completed that may provide an initial basis for the development of these. In addition a reformed council client-side function will be required to provide strategic direction and greater assurance, and opportunities to generate additional efficiencies and savings through improved integration between the council and BHP will also be needed. The scope of services to be provided will also need to be considered including what contribution BHP could, in time, make in other areas to the council's objectives.

### **Bringing the Service Back In-house**

3.30 The majority of stock-holding councils provide housing management services directly. Simply bringing the service into the council will not in itself assure improved performance and while there may be some direct savings the challenge to generate significant further savings and improved outcomes would remain central. An in-house

service could be more fully integrated across a range of council services and functions and this could also support the achievement of wider outcomes but specific expertise and coherence in the service would need to be maintained

3.31 A number of councils with ALMOs have in recent years brought the service in-house. This would require termination of the existing Management Agreement. From the experience of other authorities a minimum period of 6 months would be needed and in a number of cases the process has taken a year. Consultation with tenants and leaseholders would be required in advance.

### **Service Provision through a Partnership**

3.32 A housing management partnership would be formed with another housing management provider with an existing high-quality housing management service in order to raise performance and generate significant economies and efficiencies. This could be a significant local housing association provider. The scope of the partnerships activities (e.g. whether it included affordable housing development) may also be a significant consideration in choosing a suitable partner and in the extent of interest from prospective partners.

3.33 There are two main routes by which this partnership could be established. The council could directly select a suitable partner in place of BHP and enter into the necessary legal arrangements with them to establish a jointly owned housing management company. Alternatively BHP could itself be converted into a partnership housing management organisation, jointly owned and governed by the council and the selected partner. Again consultation with tenants and leaseholders would be required in advance.

## **4.0 Financial Implications**

4.1 The HRA expenditure Budget is £56.9m. This budget is used for the management and maintenance of the HRA stock and for the repayment of the HRA debt. BHP Management Fee for the current year is £7.5m. This fee is for managing and maintaining the HRA properties on behalf of the Council.

4.2 The Housing and Planning Act will have a significant impact on Brent's council housing and its financial position in coming years. The implications for which are currently being scoped with more comprehensive analysis to follow once the details are published.

4.3 The three options outlined in this report for the management of the council's stock will each have differing implications in terms of the impact on the HRA and will need to be developed through the formal review process. However, it should be noted that all of the options will result in an initial cost of change, which will need to be factored into the each appraisals.

## **5.0 Legal Implications**

5.1 Consultation with secure tenants is covered under section 105 of the Housing Act 1985 which states that a local authority landlord has to maintain arrangements it considers are appropriate to enable its secure tenants who are likely to be substantially affected by housing management matters that are specified in section 105 of the 1985 Act (which includes the management of dwelling houses let by the Council under secure tenancies) to be informed of the local authority's proposals and to make their views known within a specified period. A local authority landlord needs

to take into account any representations made under these arrangements before making a final decision.

5.2 Delegation of housing management functions by a local authority requires consent from the Secretary of State under section 27 of the Housing Act 1985. In 2009, the Secretary of State issued a general consent which sets out circumstances in which delegation of housing management functions can be carried out without specific consent from the Secretary of State.

5.3 BHP is a subsidiary company of the Council. BHP's Constitution is made up of its Articles of Association and Memorandum of Association. BHP is a limited company, without share capital, which operates on a non-for-profit basis and the Council is the sole guarantor member.

5.4 The Council entered into the Management Agreement with BHP in April 2013 which expires after ten years with a review mechanism after seven years. There are provisions in the Management Agreement which enable the Council to notify BHP of any material breaches and give BHP a reasonable period of time to remedy such material breaches. There are provisions which allow the Council to vary the terms of the Management Agreement.

5.5 If a decision is to be made to bring the housing management services in-house, there will be staff transfer and TUPE implications. BHP is also a Registered Provider with its own small housing stock. Further legal advice will be provided as and when necessary in regard to these matters.

5.6 Paragraph 3.33 details that the council could directly select a suitable partner and enter into necessary legal arrangements with them to establish a jointly owned housing management company. Where such an approach is adopted, it will be necessary to ensure that any jointly owned management company is established and operated in compliance with Regulation 12 of the Public Contracts Regulations 2016.

5.7 If the alternative option detailed in paragraph 3.33 is favoured, namely that BHP is itself converted into a partnership housing management organisation jointly owned and governed with the selected provider, not only will it be necessary that any converted organisation is established and operated in compliance with Regulation 12 of the Public Contracts Regulations 2015 but it will also be necessary to ensure that the terms of any transfer of ownership to the selected provider can be justified on best value grounds.

5.8. Other legal implications are included within the body of the report.

## **6.0 Diversity Implications**

6.1 There are no equalities implications directly arising from the matters under consideration at this stage but an Equality Impact Assessment will be required as the options are developed.

## **7.0 Staffing/Accommodation Implications**

7.1 There are potentially significant staffing implications for the council in the event that the service was brought in-house. Further consideration will be given as the options are developed.

## **Appendices**

Appendix 1 – Summary of BHP Recovery Plan

Appendix 2 – Commercial Issues in respect of the Integrated Asset Management Contract between BHP and Wates Group Ltd. This is exempt information under paragraph 3 of Schedule 12A to the Local Government Act 1972.

## **Background Papers**

None

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## Appendix 1

### Summary of BHP Recovery Plan

The BHP Business Recovery Plan has been produced by BHP in response to a number of performance concerns. It sets out the key areas for performance improvement for the period January to June 2016 and it is proposed to extend this period to end September 2016.

The aim of the Business Recovery plan is to raise BHP's performance to a level that is equal to, or better than, comparable housing management organisations in London and to meet the Council's corporate service standards. It sets out the priority areas, key actions and milestones, the support to be provided by the council to assist BHP, and the outcomes to be achieved. The main Business Recovery Priorities and outcomes are summarised in the table below.

<b>Business Recovery Priority</b>	<b>Key Outcomes</b>
Senior Leadership and Governance	<ul style="list-style-type: none"><li>• Business Recovery Plan implemented</li><li>• New senior management structure established</li><li>• Audit recommendations fully implemented</li></ul>
Capital Programme Management and Delivery	<ul style="list-style-type: none"><li>• Revised stock investment and compliance structure established</li><li>• Programme for planned maintenance works to 1,700 units in 16/17 effectively mobilised</li></ul>
Landlord Services Performance	<ul style="list-style-type: none"><li>• Improved repairs performance including 90% satisfaction</li><li>• All complaints and Member Enquiries responded to on time and reduced volume of complaints</li><li>• Void performance at upper quartile</li><li>• Increased tenant and leaseholder satisfaction levels</li></ul>
Corporate and Financial Compliance	<ul style="list-style-type: none"><li>• Improved procurement arrangements and compliance assurance</li></ul>
Efficiency and Effectiveness	<ul style="list-style-type: none"><li>• 16/17 savings implemented</li><li>• Improved effectiveness and value for money through reviews with council of disabled adaptations and Anti-social behaviour services</li></ul>
Support for Staff	<ul style="list-style-type: none"><li>• Improved staff morale and working culture</li></ul>

Whilst the Plan sets specific outcomes and targets the Business Recovery Plan remains a live document with additional issues added when identified and further actions required to achieve the targets set.

Responsibility for the achievement of the Plan rests with BHP's Board working through the Interim Management Director and Senior Leadership Team. A joint BHP and council Transformation Board oversees the implementation of the Plan.


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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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 <b>Brent</b>	<p style="text-align: center;"><b>Cabinet</b> 27 June 2016</p> <p style="text-align: center;"><b>Report from the Strategic Director Community and Wellbeing</b></p>
Wards Affected: [ALL]	
<b>Care And Support Contract - Extra Care - authority to procure</b>	

## 1.0 Summary

1.1 In accordance with the Council's Contract Standing Orders 88 and 89 authority is sought to approve the procurement of the care and support service for the following four extra care schemes (ECS) with a maximum of three associated Care and Support contracts:

- Beechwood Court – Wembley
- Rosemary House – Willesden
- Harrod Court - Kingsbury
- Tulsi House – Sudbury.

1.2 Tenders will be sought through the Council's Dynamic Purchasing System (DPS) for Accommodation Plus Services which went live in February 2016.

## 2.0 Recommendations

2.1 Cabinet are asked to approve the inviting of tenders for the care and support service within four ECS's leading to an award of up to three contracts.

2.2 Cabinet to give approval to officers to evaluate the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in section 6.0 of this report.

### 3.0 Detail

#### Extra Care

- 3.1 The schemes listed below are the property of Network Homes and are situated within the borough. The schemes provide the following numbers of self-contained one and two bedroomed flats for people aged 55+ years who have dementia, learning disabilities (LD), physical disabilities (PD) and/or sensory impairment(s) (SI) and require appropriate accommodation with care and support on hand to live independently in the community:

Name of Scheme	No. and size of flats	No of tenants in receipt of care	Primary care group
Beechwood Court - Wembley	20 one bedroom flats for people with dementia	19	Dementia
Harrod Court - Kingsbury	38 one bedroom flats and 2 two bedroom flats	38	General aged 55+
Rosemary House - Willesden	40 one bedroom flats	33	General aged 55+
Tulsi House - Sudbury	32 one bedroom and 4 two bedroom flats	25	General aged 55+

- 3.2 The ethos of ECS in Brent is to maintain people in a home of their own by offering flexible care and support, to meet their eligible needs (as defined by the Adult Social Care assessment of their needs under the Care Act 2014), in an appropriately design flat to aid their independence. Along with a range of social activities to provide a quality of life, as a real alternative to institutional care in residential or nursing care home.

#### Current Services Provided

- 3.3 The care, support and activities services are currently provided by external agencies. The number of service users in receipt of these services, together with their primary care needs are listed above, the aim is to move to having all tenants in the schemes having care and support needs:
- 3.4 Currently not all tenants are in receipt of care due to the following reasons:
- Where a couple were moved into a 2 bed-roomed flat and one spouse required care at the time of moving in but has since passed away.

Although the remaining spouse does not require care, this spouse is still residing in the flat as a legal tenant.

- Some tenants' do not have any care needs at this moment in time but have moved in from a residential placement. The design of the schemes and the time to recover have been factors that have assisted them to have very low on going needs. It also has to be noted that the move from residential created a saving for the Council.
- Some tenants refuse to have the care provided, however, they have identified care needs and with the presence of care staff and the scheme manager, these individual are able to be monitored and their safety ensured.

3.5 The care and support service is provided by on-site care staff throughout the day, with sleep-in and/or waking night support dependent on the needs of the tenant group. The care and support service is primarily task and time orientated according to individual tenant's support plan, as you would find in domiciliary care provision within the wider community. This lack of flexibility has an impact on the type of need, and therefore the type of tenant, that can be safely managed in the schemes. For example, it is currently difficult to meet the needs of tenants with dementia or other conditions that mean they will have unpredictable needs such as wandering or a tendency to fall. Such needs cannot always be predicted or timetabled for and therefore the current model of care is not appropriate to meet their needs because it is not flexible and responsive enough.

3.6 The activities service is provided throughout the week and activities are organised in consultation with the tenants, this is procured via the Supporting People Budget and is due to cease as we 'merge' the two services together to further support a flexible model of service delivery. This will produce a saving in the Supporting People Budget and ensure that activities do not just happen when the Activity Coordinator visits the scheme, but that Care Staff undertake activities with tenants throughout the week.

### **Future model of service provision**

3.7 A new integrated model of care, support and activities will enable the Council to deliver services in a way that will improve individual outcomes, quality of life and allow for any unplanned care and support to be delivered in a cost effective manner. This will also ensure we are able to meet the increasingly complex needs of people with fluctuating needs, such as tenants with dementia, without an admission to residential and nursing care which in the majority of cases is rarely the option of choice for the individual concerned and comes at a higher cost to the Council.

3.8 The new flexible service will have two elements:

3.8.1 Care hours to meet the eligible needs for an individual tenant as detailed in their support plan, which will split between;

- a. The hours required for care to be delivered in a tenant's own flat within the scheme, and in the majority of cases can be predicted, such as assistance with personal care in the morning or evening and support at night with toileting or turning in bed.
- b. The hours required for care and support that will be delivered in the communal areas or for identified needs which occur at unpredictable times, i.e. people with dementia wanting to leave the building or individuals needing emotional support due to their mental health needs and those with toileting needs which cannot be timetabled.

3.8.2 Additional hours required to ensure there are staff available throughout the day and night to meet the unpredictable care needs of tenants, for example, following a fall or if someone with dementia is unsettled and walking around the building, or staff need to respond to a call raised via the 'warden call' system for assistance and to enable the provider to organise a range of social activities based on the requests and interests of the tenant group. These additional hours will ensure residents safety by delivering a responsive service, thereby reducing the likelihood of tenants having to move into a residential care home setting. This is referred to as Core Hours.

- 3.9 The above hours will be delivered through a 24-hour roster which takes account of the needs of the tenant group and how the care is delivered. With the 24 hour core roster, a minimum number of staff will be on duty at all times to support both planned, routine and emergency care needs. This will be agreed based on the overall needs of all the tenants in a scheme rather than a prescriptive formula. Assistive technology (e.g. telecare) will be used to further streamline the service delivery, ensuring a safe environment is maintained and risks are managed appropriately.
- 3.10 The social activities element of the tender will be aimed at creating activities that are dedicated to tenant's interests and community engagement, ensuring the schemes have a sense of community and a structure for social engagement. Further individual hours can be commissioned to respond to a tenant's individual needs and circumstances based on their assessment of need.
- 3.11 The flexible model of care and support will improve not only individual outcomes and quality of life but will also achieve better value for money than the current rigid model which is task, time and location orientated. The existing model has led to 17 tenants moving on to residential and nursing care over the last two years, as we were unable to meet their needs in a safe way within the schemes. Modelling shows that with a flexible roster of staff and the use of telecare, we should be able to reduce the number of people whose needs cannot be met within the scheme and who are moved into a residential or nursing placement by up to 75%.

3.12 The Council will continue to have 100% nomination rights for all the flats. The department's policy is that extra care accommodation and care is the default option for all new service users who would otherwise require a residential placement, thereby ensuring that all extra care units are occupied by prospective new tenants who have eligible care and support needs (as per the Care Act 2014) and resulting in reduction of placements in residential or nursing care. The Quality Assurance Meeting (the Adult Social Care 'panel' that reviews all high cost community support packages and requests for residential/ nursing care placements) will also ensure that all appropriate referrals are directed to extra care and no placements into residential and nursing can be made without a head of service authorisation.

#### **4.0 Market Position Statement**

4.1 The new contract will ensure it is aligned with the objectives set out in the Brent Market Position Statement (MPS) 2014 whose main principal is to ensure that future social care and support services will be delivered by providers who have the experience in maximising individual choice and control through flexible delivery of services rather than the current model of domiciliary care delivery of task and time orientated care.

#### **5.0 The Care Act 2014**

5.1 As a result of the new contract the service will ensure the following stipulations of the Care Act 2014 are met:

- a) Local authorities are to ensure their social care system is based on the principles of prevention, early intervention and is focused on an individual's well-being and ability to maintain their independence in their own home environment rather than the institutional care settings.
- b) Focus to be on an integrated, preventative and community based housing and support service placing an individual's well-being at the heart.
- c) Put the suitability of accommodation explicitly as part of the definition of well-being, which sets the tone for the whole Act.
- d) Deliver care and support services through an understanding of reablement; believing that every person, no matter what age or disability, has the potential to develop or regain skills that allow them to be more independent and/or have access to a wider range of choices; to create an atmosphere of support and encouragement to try new things, practice lost skills, where staff supervise, support, and encourage, 'doing with' rather than 'doing for'.

## 6.0 The tender process

- 6.1 Permission is sought to procure the on-site care, support and activities service from the current Accommodation Plus Services Dynamic Purchasing System (DPS) Lot 4B.
- 6.2 In accordance with the DPS, suppliers who have successfully been admitted onto Lot 4B (care and/or support services) will be invited to bid for the required services.
- 6.3 The proposed procurement route will streamline and provide benefits both for the bidders and the Council;
- suppliers will not have to redo their Pre-Qualification Questionnaire (PQQ) submission for each bid,
  - the Council does not have to allocate time and resources to evaluate the PQQ's more than once in the life time of the DPS,
  - the tendering timescales are reduced however, although a minimum 10 day period is stated within the Public Contract Regulations, recent tendering experience has informed us that this should be longer to ensure bids of a suitable quality and cost are received and TUPE assessments can be fully explored by the bidders, and;
  - the use of the DPS allows Council officers to have pre-tender engagement discussions to ensure that bidders understand our requirements with a view to ensuring that quality bids are received.
- 6.4 The proposed length of contract is 4 + 1 years, which is designed to create more stability for tenants and encourage a wider range of bidders, including many providers who specialise in this provision but have not been active within the borough.
- 6.5 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service.	Care, support and activities service for extra care
(ii)	The estimated value.	£7.5m (based on budget and current number of hours provided at an hourly rate of £16.26, provided 52 weeks a year for 5 years) see section 7.0 below for additional commentary
(iii)	The contract term.	4+1 years
(iv)	The tender procedure to be adopted.	Mini-Competition via the DPS



Ref.	Requirement	Response	
v)	The procurement timetable.	<b>Indicative dates are:</b>	
		Mini-competition advert	29/06/16
		Deadline for tender submissions	21/07/16
		Site Visits	27/07/16-29/07/16
		Panel Evaluation	04/08/16
		Report recommending Contract award circulated internally for comment	10/08/16
		Cabinet approval	19/09/16
		Cabinet call in period of 5 days (not mandatory if using the DPS although it will be observed) - notification issued to all tenderers and additional debriefing of unsuccessful tenderers (contracts covered by the full EU Regulations only)	24/09/2016
		Contract Mobilisation	24/09/16
		Contract start date	31/10/16
(vi)	The evaluation criteria and process.	<ul style="list-style-type: none"> <li>• At the quote evaluation stage the bids will be evaluated on the grounds of the Most Economically Advantageous Tender (MEAT) with a 60% price and 40% criteria scoring.</li> </ul> <p>The quality assessment will be evaluated using the following range of criteria:</p> <ul style="list-style-type: none"> <li>• How the Service will be delivered to achieve delivery of improved personal independence</li> </ul>	

Ref.	Requirement	Response
		<p>through choice and control as well as delivery of outcomes</p> <ul style="list-style-type: none"> <li>• How policies and procedures regarding equality and human rights will be applied</li> <li>• Proposals regarding staffing (skills, qualifications, experience and structure) to ensure that that the needs of the tenants are met at all times whilst providing continuity of care</li> <li>• How current/previous experience will be applied to deliver the service</li> <li>• How Social Value will be delivered</li> <li>• How out-of-hours service will be delivered</li> <li>• How the Safeguarding policy will be implemented and adhered to</li> </ul>
(vii)	Any business risks associated with entering the contract.	There are no business risks associated with the proposed contract.
(viii)	The Council's Best Value duties.	The evaluation criteria will be based on a model where cost and quality are distributed to ensure that providers are selected on best value. The tendering documentation will also specify how the contract will be managed to ensure the on-going delivery of the service and outcomes for each service user.
(ix)	Consideration of Public Services (Social Value) Act 2012	<p>The following Social Value (SV) assessments have already been incorporated into the DPS qualification process:</p> <p><u>Qualification stage:</u></p> <ul style="list-style-type: none"> <li>• Confirmation the bidder's environmental policy/approach has led to sustainable improvements</li> <li>• Confirmation the bidders environmental policy/approach has delivered waste and carbon reduction</li> <li>• Involvement of Small and Medium Enterprises (SMEs), particularly within Brent</li> <li>• Adoption of ethical practices – these will include Safety and Hygiene, Working Hours and payment of London Living Wage (LLW).</li> </ul> <p>At the quote stage the following additional SV assessments will also be applied:</p> <ul style="list-style-type: none"> <li>• Confirmation that LLW (and National Living Wage) will be paid (although the Council will have the</li> </ul>

Ref.	Requirement	Response
		<p>option to assess non LLW rates)</p> <ul style="list-style-type: none"> <li>• Number of additional jobs that will be created as part of the contract</li> <li>• Percentage of vacancies that will be targeted at the unemployed people of Brent</li> <li>• Total anticipated spend on SME's (in and out of Brent)</li> </ul> <p>The weightings for Social Value will hold at least 10% of the total evaluation score.</p>
(x)	Any staffing implications, including TUPE and pensions.	None for the Council. TUPE will however apply to staff currently employed by the incumbent provider.
(xi)	The relevant financial, legal and other considerations.	See sections 8.0 and 9.0 for legal and financial considerations.

6.6 The Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

## 7.0 Contract Management

7.1 Contract management will be outcome focused. Some of the Key Performance Indicators will be:

7.1.1 Number of hours saved in meeting the identified outcomes for tenants as opposed to proposed hours identified in the individual tenant's support plan drawn up by Adult Social Care.

7.1.2 We will set a Minimum number of admissions to residential and nursing care per year based on reducing the current rate of 9 per year to 3 per year.

7.2 Officers will set a baseline to determine the following and develop targets to reduce these year on year:

7.2.1 Number of ambulance call outs and reasons, which do not result in a hospital admission.

7.2.2 Number of tenants in hospitals and the number of days hospitalised

7.2.3 Number of emergency/unexpected calls resulting in prevention of hospital admission/residential/nursing care.

7.3 Officers will monitor the contract in a number of ways. Some of the methods

adopted will be:

- Ensuring that the provider maintains their registration and compliance with the required standards with the relevant regulatory body such as the Care Quality Commission (CQC)
- Monitoring and validation visits to the schemes where officers liaise with the tenants to get feedback on the quality of service delivery. Officers will also check various records during these visits for compliance.
- Take immediate action on feedback from service users, colleagues, complaints, safeguarding, etc.
- Undertake ad hoc/emergency visits where a complaint or safeguarding concern has been raised, particularly in relation to service delivery
- cost comparison of overall care hours against the cost of a residential or nursing care placement
- Liaison with other stakeholders to share intelligence. (CQC and Safeguarding)
- Issue a Corrective Action Plan (CAP) where service shortfalls/failures have been identified. Officers will be in regular liaison with the provider to ensure that all items on the CPA have been actioned according to the timescales set.

## **8.0 Financial Implications**

- 8.1 The 2016/17 budget for Extra care and support is £1.5m. This budget directly accommodates the four current extra care schemes.
- 8.2 The current hourly cost of extra care in these units equates to £16.26, which delivers approx 92,000 hours per annum. The current rate is National Living Wage compliant, so it is estimated that this hourly rate can be sustained in this procurement exercise and be delivered within the current budget allocation.
- 8.3 The department will need to build inflationary increases in to future year's budgets as National Living Wage increases will need to be factored.
- 8.4 Current modelling suggests that to achieve London Living Wage (LLW) compliance the rate would need to increase by at least £1.20ph. This would potentially add a further £110k pa in costs, which is currently not accommodated for in the department's budget. In order to facilitate the assessment of the LLW cost implications both inclusive and non-inclusive rates will be requested and evaluated with both options presented to the Cabinet when the request for approval to award is made.

## **9.0 Legal implications**

- 9.1 Members at its meetings in September 2015 and February 2016 gave their approval for the creation of the DPS and further delegated authority to the now Strategic Director of Community and Well-being to award individual contracts under the DPS with a value up to £500,000.

- 9.2 The value of the proposed call –off contracts subject to the mini competition process is likely to be in excess of the threshold for High Value Contracts under Contract Standing Orders and as such Cabinet approval of the pre-tender considerations and invitation to participate is required.
- 9.3 Officers are advised to note that award criteria relating to any proposed individual contracts under the DPS must be in accordance with the original contract notice or in the invitation to confirm interest document. Those criteria may (where required) be precisely formulated in the invitation to tender.
- 9.4 In above-threshold call-off contracts from a DPS, the standstill period is voluntary not mandatory (therefore Officers are strongly advised to applying it to protect against possible post-contractual ineffectiveness claims).
- 9.5 Once the tendering process is undertaken Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 9.6 Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) is likely to apply to this mini competition process if there is a service provision change in providers. TUPE would apply between the new replacement providers and the incumbent providers should there be a change in service provider. In these situations the Council will act as a conduit of information between the parties so as to ensure minimal disruption to service users during the implantation plan phase

## **10.0 Diversity Implications**

- 10.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

## **11.0 Staffing/Accommodation Implications (if appropriate)**

- 11.1 This service is currently provided by external contractors and there are no implications for Council staff arising from retendering the contract.

## **12.0 Background Papers**


- 12.1 EIA attached.

## **Contact Officer(s)**

**Designation: Procurement, Chief Executive's Department & Community & Well-Being**

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PHIL PORTER  
Strategic Director of Community & Wellbeing

 <b>Brent</b>	<p style="text-align: center;"><b>Cabinet</b> 27 June 2016</p> <p style="text-align: center;"><b>Report from the Strategic Director of Community and Wellbeing</b></p>
<p>Wards Affected: ALL</p>	
<p><b>Accommodation services for people with learning disabilities</b></p>	

## **1.0 Summary**

- 1.1 The Council currently has three properties that support 10 people with learning disabilities in the community. In 2014, it was agreed by Cabinet that a competitive tender process would be undertaken to establish new lease arrangements and on-site care and support service contracts.
- 1.2 The report provides an update on the current arrangements and requests authority for an exemption to award 3 twenty month contracts for ongoing care and support when the existing arrangements end as required by Contract Standing Order No 84(a).
- 1.3 This report explains the reasons for the exemption request and details the service benefits to the recommendation, prior to undertaking a new tender process as required by Contract Standing Orders 88 and 89.

## **2.0 Recommendations**

- 2.1 Cabinet to note the extension to the existing contracts using delegated powers, with the incumbent provider at the property, 7 Kinch Grove to 3 September 2016, and the extension to the existing contracts to 22 August 2016 with the incumbent provider at the properties, 63 Manor Drive and 54 Beechcroft Gardens.

- 2.2 Cabinet to approve an exemption pursuant to Contact Standing Order 84(a) for the requirement to tender for three on-site care and support contracts for 20 months on the basis of the disproportionate negative impact on service users for the protected characteristic of disability.
- 2.3 Cabinet to note that a tender process will be undertaken to replace the temporary twenty month contracts and approve the inviting of those tenders on the basis of the pre-tender considerations set out in paragraph 6.0 of the report.
- 2.4 The Cabinet to give approval to officers to evaluate the tenders referred to in 2.3 above on the basis of the evaluation criteria set out in paragraph 6.0 of the report.

### **3.0 Tenancy management arrangements with associated property leases**

- 3.1 The tenancy and housing management services are being delivered by two providers across the three properties. Through a low value quote process the service requirements will now be delivered by a single provider.

### **4.0 Care & Support arrangements – 7 Kinch Grove**

- 4.1 Following Cabinet approval to commence the process of procuring new on-site care and support service contracts, service users and their families were consulted. The initial plan was to concurrently change the registration status of the care home from 'residential care home' to 'supported living', and procure the new care and support contract. During the consultation process families raised concerns that the two activities represented too many changes too quickly for the service users given the complexity/severity of their learning disability and concomitant needs.
- 4.2 The Equality Impact Assessment (EIA) was refreshed to take account of the issues identified during the consultation. The updated EIA identified that the best way to mitigate the negative impacts on the protected characteristic of disability was to create a clear break between the process of amending registration status with Care Quality Commission, from the procurement of a new care and support contract.
- 4.3 The incumbent provider is currently changing their status with the Care Quality Commission to become a supported living environment. Families are aware and are supportive of the process. To help achieve this, the existing contract with Voyage Care was extended using delegated powers to now expire on 3 September 2016.



4.4 Once the status has changed and tenants have had time to adjust to the changes, a tender process will be initiated to establish the long-term care and support contract. Until the new contract is awarded, Cabinet are asked to agree an exemption pursuant to Contract Standing Order 84(a) from the requirement to tender the care and support contract for a period of twenty months, ending 31 March 2018.

4.5 During the 20 month contract a competitive tender exercise for the care and support contract will be undertaken following the procedure described in section 6.0.

#### **5.0 Care & Support arrangements – 63 Manor Drive and 54 Beechcroft Gardens**

5.1 Following Cabinet approval to commence the process of procuring new on-site care and support service contracts, service users and their families were informed. The consultation process was completed and families were in agreement with the proposals.

5.2 A two stage tender process was undertaken. Two bids were received for the final stage. The evaluation process identified that the pricing element of both bids would require a 30% increase in the existing budget. The Strategic Director Community Wellbeing and Chief Financial officer were briefed and a decision was taken not to proceed to award stage on the basis of affordability. As an interim measure the existing contracts with Dimensions Limited were therefore extended from 23 February 2016 to 22 August 2016 using delegated powers.

5.3 To ensure that the future procurement delivers the efficiencies the Council requires, it is proposed that a new procurement commences to be concurrent with the Kinch Grove tender, described in 4.5. This will create a larger market opportunity likely to attract a wider pool of bidders, and therefore, provide the greatest opportunity to achieve best contract value for the Council. Until the new contracts are awarded Cabinet are asked to agree to an exemption pursuant to Contract Standing Order 84(a) from the requirement to re-tender the care and support contracts and instead remain with the incumbent provider until 31 March 2018.

5.4 During the term of the proposed contracts, officers will develop new ways to engage with the local care market to better understand the financial practicalities of delivering these services, and devise ways to identify potential providers able to submit bids that are affordable to the Council.

#### **6.0 Procurement Plan for care and support arrangements at 63 Manor Drive, 54 Beechcroft Gardens, and 7 Kinch Grove**

6.1 During the proposed 20 month contracts, officers would seek to

procure new care and support service contracts. In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

<b>Ref.</b>	<b>Requirement</b>	<b>Response</b>	
(i)	The nature of the service.	Care and Support services	
(ii)	The estimated value.	Contract 1(Manor Drive) = £520,000 Contract 2 (Beechcroft Gardens) = £550,000 Contract 3 (Kinch Grove) = £1,460,00	
(iii)	The contract term.	Each contract will be awarded with a 3 + 1 + 1 year term.	
(iv)	The tender procedure to be adopted.	Tender using the Accommodation Plus Dynamic Purchasing System (Lot 4B).	
v)	The procurement timetable.	<b>Indicative dates are:</b>	
		Invite to tender	May 2017
		Deadline for tender submissions	June 2017
		Panel evaluation and shortlist for interview	July 2017
		Interviews and contract decision	August 2017
		Report recommending Contract award circulated internally for comment	September 2017
		Cabinet approval	November 2017
		[Cabinet call in period of 5 days (mandatory unless excluded by the Exec) OR minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers (contracts covered by the full EU Regulations only)]	November 2017

Ref.	Requirement	Response
		Contract Mobilisation January 2018
		Contract start date 1 <sup>st</sup> April 2018
(vi)	The evaluation criteria and process.	<p>1. At tender evaluation stage, the panel will evaluate the tenders against the following criteria (in accordance with the criteria set when the Accommodation Plus Dynamic Purchasing System was established):</p> <ul style="list-style-type: none"> <li>▪ How the Service will be operated to achieve delivery of outcomes.</li> <li>▪ How policies and procedures regarding equality and human rights will be applied.</li> <li>▪ How the Service will be operated to lead to improved personal independence.</li> <li>▪ Proposals with regard to Staffing (skills, qualifications and experience and structure) in order to meet the needs of the service users.</li> <li>▪ How Social Value will be delivered.</li> <li>▪ How experience in delivering similar services will be applied to the Service.</li> <li>▪ How out of hours services will be delivered.</li> <li>▪ How the Safeguarding policy will be implemented.</li> <li>▪ How Social Value will be delivered.</li> </ul> <p>The weightings for quality will consist of 60% and price 40%. Social Value will hold at least 10% of the total score.</p>
(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the proposed contract. Financial Services and Legal Services have been consulted concerning the proposed contracts.
(viii)	The Council's Best Value duties.	The evaluation criteria is based on a model where cost and quality are distributed to ensure that provider(s) are selected on best value. The tendering documentation will also specify how the

Ref.	Requirement	Response
		agreements will be managed to ensure on-going delivery of the outcomes.
(ix)	Consideration of Public Services (Social Value) Act 2012	<p>The following Social Value assessments will be incorporated into the tender evaluation processes:</p> <ul style="list-style-type: none"> <li>▪ Confirmation that London Living Wage (and National Minimum Wage) will be paid. NB: bidders will be asked to submit rates for paying staff at both LLW and NLW rates; members will be given the opportunity to assess both rates.</li> <li>▪ Number of additional jobs that will be created as part of the contract.</li> <li>▪ Percentage of vacancies that will be targeted at unemployed in-borough people.</li> <li>▪ Total anticipated spend with SME's (in and out of Brent).</li> <li>▪ Percentage of vehicles that have Reduced Pollution Certificate and/or meet or exceed the requirements of the London Low Emissions Zone.</li> <li>▪ Targets for reducing carbon and pollution waste.</li> </ul>
(x)	Any staffing implications, including TUPE and pensions.	None for Council staff however there are TUPE implications related to the external providers' employees.
(xi)	The relevant financial, legal and other considerations.	See sections 7.0 and 8.0 below.

6.2 Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

## 7.0 Financial Implications

7.1 The 2016/17 Learning Disabilities Supported Living budget is £4.7m. These contracts are fully funded via this budget.

7.2 The annual value of the contracts is £506k and over a 20 month period would equate to £843k.

7.3 In order to facilitate the assessment of the LLW cost implications both inclusive and non-inclusive rates will be requested and evaluated with

both options presented to the Cabinet when the request for approval to award is made.

## **8.0 Legal Implications**

- 8.1 Members will note from Recommendation 2.1 that existing contractual arrangements have been extended up to and including 3 September 2016 for Kinch Grove and 22 August 2016 in respect of Manor Drive and Beechcroft Gardens. This has been done pursuant to powers delegated to the Strategic Director of Community and Wellbeing pursuant to Part 4 of the Constitution.
- 8.2 The tenancy management contracts are classed as Low Value Contracts under the Council's Contract Standing Orders and Financial Regulations and therefore contracts have been awarded pursuant to powers delegated to the Strategic Director of Community and Wellbeing pursuant to Part 4 of the Constitution.
- 8.3 As part of the procurement of tenancy management arrangements with the associated leases, the associated leases will be contracted out of the Landlord and Tenant Act 1954 so that the contractor will not have the benefit of the right to a new lease when the lease comes to an end.
- 8.4 The values of the 3 potential 20 month contracts for the Properties as detailed at Recommendation 2.2 are as detailed in paragraph 7.2. As on-site care and support services fall within the social and other specific services listed in Schedule 3 ("Schedule 3 Services") of the Public Contracts Regulations 2015 ("EU Regulations"), the individual contracts are below the threshold for full application of the EU Regulations.
- 8.5 The 20 month contracts are classed as Medium Value Contracts under the Council's Contract Standing Orders and Financial Regulations and should thus be procured through a tender process, involving advertising on Contracts Finder and the London Tenders Portal. As detailed in paragraphs 4.4 and 5.3, officers have indicated that they consider that there are good operational and financial reasons not to tender these contracts but instead wish to directly award contracts to the incumbent providers. In the circumstances, an exemption from the requirements to tender in accordance with Contracts Standing Orders and Financial Regulations is sought. Cabinet is able to grant such exemption pursuant to CSO 84(a) if it considers there are good operational and/or financial reasons.
- 8.6 With regard to the procurement of on-site care and support contracts at the Properties from 1 April 2018 as set out in Recommendation 2.3, such services fall within the social and other specific services listed in Schedule 3 of the EU Regulations. The procurement will be broken

down into 3 contracts, 2 of which are below the threshold applicable to Schedule 3 Services (currently set at £589,148) and one of which is above the EU threshold. Regulation 6 (11) of the EU Regulations requires that as the aggregate value of all lots together is in excess of the relevant threshold, the EU Regulations apply to the award of contracts for each lot.

- 8.7 The estimated value of the proposed procurement of each on-site care and support services contract is in excess of £500,000 making all contracts High Value Contracts under the Council's Contract Standing Orders. As such the contracts are subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts and therefore the Cabinet must approve the pre-tender considerations set out in Section 6.0 of this report (Standing Order 89) and the inviting of tenders (Standing Order 88).
- 8.8 Once the tendering process is undertaken officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 8.9 In the present case, a number of contractors are currently providing elements of the service being procured. As a result, the Transfer of Employment (Protection of Employment) Regulations 2006 ("TUPE") may apply if contracts are awarded to new contractors where immediately before the change of contractor, there is an organised grouping of employees situated in Great Britain which has as its principal purpose the carrying out of the activities concerned on behalf of the Council and where the employees are assigned to that organised grouping. Subject to the right of the employee to object to transferring, the employee's contract of employment will transfer to new contractor.

## **9.0 Diversity Implications**

- 9.1 Members are referred to the Equalities Impact Assessment at Appendix 1, and will note the negative impacts identified that resulted in the recommendations put forward in this report.
- 9.2 The key negative impact relates to the protected characteristic of disability. The tenants residing at the three Properties have complex/severe learning disabilities with concomitant needs. They have all lived in care environments for the majority of their adult lives, and their families worry for their future as they approach older age.
- 9.3 The Equalities Impact Assessments have been refreshed throughout the past two years as officers have worked to meet the legal requirements for contracting of services and the Council's equality duties. Feedback from family members and Council social care staff

have highlighted the importance of continuity of care and support for the service users from people who understand their needs and individual communication skills, especially during time of significant change, such as, changing how the style of care is delivered (from 'residential care' to 'supported living'), and tendering of contracts where a new provider could be appointed. The findings have been used to develop the recommendations contained in this report.

## **10.0 Staffing/Accommodation Implications (if appropriate)**

10.1 These services are currently provided by external contractors and there are no implications for Council staff arising from awarding these contracts.

## **11.0 Public Services (Social Value) Act 2012]**

11.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 (the "Social Value Act") to consider how relevant services being procured might be structured to improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation.

11.2 This duty applies to the procurement of the proposed contracts as Schedule 3 Services over the threshold for application of the EU Regulations are subject to the requirements of the Social Value Act.

11.3 The market for care services whilst being nationally large is highly specialised to client needs and geographical locations which narrows the opportunities available to the Authority in terms of the requirements of the Social Value Act. However, officers will throughout the new procurement exercise take account of Social Value Act provisions and detailed at paragraph 6.1 are specific provisions regarding Social Value that will be incorporated into the tender evaluation process.

## **12.0 Background Papers**

12.1 Equality Impact Assessment 2016.

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## **APPENDIX 1**

### **EQUALITIES IMPACT ASSESSMENT**



<b>Equality Assessment - 7 Kinch Grove, 54 Beechcroft Gardens, 63 Manor Drive</b>
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**1. What are the objectives and expected outcomes of your proposal? Why is it needed?**

This equality assessment is an update of the previously approved plan to undertake competitive tendering of service contracts with concurrent change in Care Quality Commission registration status at three council-owned properties on the people with disabilities who live there.

Kinch Grove, Beechcroft Gardens and Manor Drive are three properties that support 10 people with learning disabilities in the community. Brent Primary Care Trust transferred ownership of the properties to Brent Council in 2011 as part of their divesture of assets. The tenants residing at the three Properties have complex/severe learning disabilities with associated needs. They have all lived in care environments for the majority of their adult lives, and their families worry for their future as they approach older age. All meet the eligibility criteria for social care needs, Care Act 2014.

As part of the Council's responsibility to ensure that people are receiving the right level of support in the least restrictive manner, the services have been working for a number of years to change their formal registration status with the Care Quality Commission from 'residential care home' to 'supported living'. 54 Beechcroft Gardens and 63 Manor Drive achieved supported living status by 2014. 7 Kinch Grove submitted an application in 2016.

As registered residential care homes, the lease/housing management arrangements and care contracts were transferred from Brent PCT to the Council in 2011 with incumbent providers. In 2014 Cabinet gave approval to commence the competitive tender process to establish new on-site care and support service contracts as required by procurement regulations.

There have been delays in achieving these objectives as we have met with family members and worked to find acceptable solutions to the concerns raised, and overcome issues in finding financially acceptable procurement solutions.

**2. Who is affected by the proposal?****Users:**

There are 10 service users with severe/complex Learning Disabilities living in the three properties. They have all lived in care environments for the majority of their adult lives, and their families worry for their future as they approach older age.

**Family Members:**

The 10 service users living at the three properties have cognitive difficulties associated with their learning disability. Family members have been involved throughout the process to represent their views and assist in developing solutions to issues identified.

**Provider/staff**

The existing providers are affected as the competitive tender process means that they may lose their contractual arrangements with Brent Council for lease & housing management arrangements and the care & support contracts. The tender process will follow Brent Council Contract Standing Orders and EU/UK Legislation.

**3a. Could the proposal impact on people in different ways because of their equality characteristics?**

Yes – protected characteristic of Disability for the ten people living at the three properties. This has been mitigated and is contained in a proposal to Cabinet.

**3b. Could the proposal have a disproportionate impact on some equality groups?**

Yes – protected characteristic of Disability for the ten people living at the three properties. This has been mitigated and is contained in a proposal to Cabinet.

**3c. Would the proposal change or remove services used by vulnerable groups of people?**

No. The service provision will remain. The services are already focused on providing accommodation and care for an identified vulnerable group.

**3d. Does the proposal relate to an area with known inequalities?**

Yes – protected characteristic of Disability for the ten people living at the three properties. This has been mitigated and is contained in a proposal to Cabinet.

**3e. Is the proposal likely to be sensitive or important for some people because of their equality characteristics?**

Yes – protected characteristic of Disability for the ten people living at the three properties. This has been mitigated and is contained in a proposal to Cabinet.

There are ten people directly affected by these proposals. They live in the three properties and receive care and support according to their individually assessed needs, Care Act 2014.

**3f. Does the proposal relate to one of Brent's equality objectives?**

Yes – Objective Four – Responsive services (To ensure that local public services are responsive to different needs and treat users with dignity and respect)

**4. Recommend this EA for Full Analysis?**

Yes

**FULL ANALYSIS**

**Equality Assessment Analysis**

**5. What effects could your policy have on different equality groups and on cohesion and good relations?**

**5.1 Age**

Neutral

Positive

The proposals will have a neutral impact on age as a protected characteristic. The move to supported living status and the procurement of care and support contracts are independent of the service users' age.

The ten people living at the three properties are aged between 50 and 65 years. They have all lived in care environments for the majority of their adult lives and are now approaching older age. The service users will continue to live at these properties and receive the care and support they require based upon individualised support plans agreed with them and their family members. These

support plans will be adjusted as required to support individuals as they age and develop different needs or preferences.

It is possible that the change to 'supported living' will increase the service users access to community groups relevant to their age which could be of benefit to them, and therefore have a positive impact upon this protected characteristic should this occur.

## **5.2 Disability**

Negative

Through additional consultation with family members for 7 Kinch Grove, it was identified that there was a potential negative impact on people with severe and complex disabilities, by moving to supported living style of care & support from the more traditional residential care, and by tendering the services where new providers could be appointed. These risks were potentially exacerbated by attempting to achieve both tasks in a short period of time.

The ten people living at 7 Kinch Grove and at the other two properties, 54 Beechcroft Gardens and 63 Manor Drive, have severe and complex needs related to learning disabilities and other associated health conditions. They each have some degree of cognitive difficulties, including reduced ability to remember what they have been told; to understand the detail of complex ideas; to explain their thoughts or concerns. This means that they will take longer to make sense of changes in their environment, and may experience unrest or display behaviours that are challenging to others. In general, this means that making change slowly is more beneficial to this client group. Family members identified that more time should be allowed after the change to supported living registration before the care and support contracts go out for competitive tender.

The suggestions put forward by the family members have been considered and agreed as the most appropriate way to mitigate the potential negative impact on this protected characteristic. A recommendation of this equality assessment is that the incumbent provider remains in place for sufficient time to ensure that each service user is settled and has adapted to the changes brought about by supported living status to their day-to-day activities and living arrangements before the tender process is commenced. It is recommended that Cabinet are requested to consider this approach to mitigating potential negative impacts.

## **5.3 Gender identity and expression**

Neutral

Positive

It is anticipated that there will be no impact on marriage and civil partnership as a protected characteristic. The move to supported living status and the procurement of care and support contracts are independent of the service users marriage or civil partnership status.

We don't hold data on gender identity and expression, so we cannot say whether it will have an impact on this protected characteristic. However, tenants receive support that is based upon their personal needs as identified within their support plan, and not on the basis of whether or not they are a member of a protected group.

It is possible that the change to 'supported living' will increase the service users access to community groups relevant to their gender identity and expression which could be of benefit to them, and therefore have a positive impact upon this protected characteristic should this occur.

#### **5.4 Marriage and civil partnership**

Neutral

It is anticipated that there will be no impact on marriage and civil partnership as a protected characteristic. The move to supported living status and the procurement of care and support contracts are independent of the service users marriage or civil partnership status.

Within the learning disability population nationally rates of marriage and civil partnership are considerably lower than for groups who do not have a learning disability. All current service users at the three properties are single and do not have partners. Any change to this status would be considered within the wider context of their accommodation, care and support needs.

#### **5.5 Pregnancy and maternity**

Neutral

None of the service users have children or are pregnant, and a move to supported living status and the procurement of care and support contracts will have a neutral impact on this protected characteristic.

Support is based upon personal needs as identified within a individualised support plan, and not on the basis of whether or not they are a member of a protected group.

#### **5.6 Race**

Neutral

Positive

Of the affected service users, 60% are from White backgrounds, 30% are from Black / Black British backgrounds, and 10% from an Asian background.

The move to supported living from residential care represents a change in philosophy to increase choice for residents, but does not affect the level or type of care and support that they are provided with. This change does not increase the likelihood that a service user would need to move to another location within the borough, so there is no reason for the move to supported living status and the procurement of care and support contracts to cause disruption to any cultural connections or facilities that service users currently have access to.

The need to move to another location within the borough would only become necessary if a support review establishes that the current placement does not meet their needs; this is the same regardless of whether the client lives in residential care, or in a supported living setting. Should a service user need to be moved, their preferences would be taken into account wherever possible, however the primary consideration will always be to place service users where their specific care and support needs can be best met. Tenants receive support that is based upon their identified needs within their support plan, and not on the basis of whether or not they are a member of a protected group.

It is possible that the change to 'supported living' will increase the service users access to community groups relevant to their racial identity and expression which could be of benefit to them, and therefore have a positive impact upon this protected characteristic should this occur.

#### **5.7 Religion or belief**

Neutral

Positive

Of the affected service users, 30% are Christian, 10% are Hindu, 10% are Jewish, and 50% have no faith recorded.

It is anticipated that there will be no impact on religion or belief as a protected characteristic. The move to supported living status and the procurement of care and support contracts are independent of the service users religion or beliefs.

Individual support plans take into account an individual's needs arising from their religion, such as ensuring that ingredients selected or preparation methods for cooking lessons are compatible with the individual's religion.

It is possible that the change to 'supported living' will increase the service users access to community groups relevant to their religion or belief (such as church, mosque or temple services or religious groups) which could be of benefit to them, and therefore have a positive impact upon this protected characteristic should this occur.

### **5.8 Sex**

Neutral

Positive

Of the affected service users, 50% are female and 50% are male.

It is anticipated that there will be no impact on sex as a protected characteristic. The move to supported living status and the procurement of care and support contracts are independent of the service users sex.

The move to supported living from residential care represents a change in philosophy to increase choice for residents, but does not affect the level or type of care and support that they are provided with, as this will continue to be dictated by detailed assessment of their individual needs.

It is possible that the change to 'supported living' will increase the service users access to community groups relevant to their sex (such as a woman's group) which could be of benefit to them, and therefore have a positive impact upon this protected characteristic should this occur

### **5.9 Sexual orientation**

Neutral

Positive

We don't hold data on the sexual orientation of the service users, so we cannot say whether it will have an impact on this protected characteristic. However, tenants receive support that is based upon their personal needs as identified within their support plan, and not on the basis of whether or not they are a member of a protected group.

It is possible that the change to 'supported living' will increase the service users access to community groups relevant to their sexual orientation (such as a LGBT group) which could be of benefit to them, and therefore have a positive impact upon this protected characteristic should this occur.

### **5.10 Other**

Economic Impact

Positive

The move to supported living status will have a positive impact for each service user, as they will become eligible to receive a wider range of welfare benefits, such as, housing benefit, employment support allowance, disability living allowance / personal independence payment, and greater choice and control over what they spend their money on.

**6. Please provide a brief summary of any research or engagement initiatives that have been carried out to formulate your proposal. What did you find out from consultation or data analysis? Were the participants in any engagement initiatives representative of the people who will be affected by your proposal? How did your findings and the wider evidence base inform the proposal?**

Further detail is contained in the Equality Assessment completed in December 2014. We consulted each service user and their families face to face during this process, ensuring that the effects of the proposal were fully understood, and gaining individual feedback on what they felt the impacts would be, and any concerns that they had. We have worked closely with the family members advocating on behalf of the people living in the three properties to identify and develop solutions to the concerns raised. This has included face to face meetings with family members and the incumbent provider, on both a group and individual basis, and notes of meetings with agreed actions. The focus has been on 1) the plan to change the type of care provision from residential care home style to supported living style, with a change in formal registration with the Care Quality Commission, and 2) the requirement to competitively tender the care and support service contracts to meet Contract Standing Orders and EU/UK Legislation.

The approved procurement plan involved going to the market after all three properties had received their change in CQC status to 'supported living'. Consultation with family members of the four people living at 7 Kinch Grove were key to this process, as Kinch Grove was the only property that had yet to apply for the change to registration status in 2014. A key issue for families in 2014 was that there would be too much change in too short a time, taking account of the complex and severe disabilities of the people affected. The key concerns identified were:

- Changing registration status with CQC would result in negative impacts as supported living status would be insufficient to support the specialist needs of the service users
- Tendering of the care and support contract opened the possibility that the service provider would change and staff would leave resulting in a negative impact on the service users
- Completing these two activities closely together would exacerbate the negative impacts experienced by service users

This Equality Assessment addresses these concerns. The key findings have been used to amend the original plan and address the concerns raised by:

- Supporting family members to explore how existing supported living environments have had positive impacts on people with specialist, severe, and complex needs, similar to the people living at Kinch Grove
- Providing more detailed information around procurement legislation and tendering processes to help family members understand the reasons why the Council is obliged to tender the service;
- Confirming that family members would be invited to participate in the procurement, through development of the new service specification and evaluation of the submitted bids

- Proposing a delay to the tendering of the care and support contract to allow service users to adapt to the changes brought about by the move to supported living status before initiating the procurement phase.

**7. Could any of the impacts you have identified be unlawful under the Equality Act 2010?**

**Prohibited acts include direct and indirect discrimination, harassment, victimisation and failure to make a reasonable adjustment.**

No

**8. What actions will you take to enhance the potential positive impacts that you have identified?**

The philosophy of supported living is that people with disabilities can receive the right level of care and support to meet their needs, without isolating them from the community in which they live. Supported living will mean each person will become a tenant, pay rent, and receive access to welfare benefits. This will give them greater choice and control over how they live, who they interact with, and what activities they choose to engage in both within their home and in their local community.

**9. What actions will you take to remove or reduce the potential negative impacts that you have identified?**

The key recommendation to mitigate the potential negative impacts is to allow more time to pass from achieving of supported living status with CQC before the competitive tender process is undertaken. This will allow the incumbent provider to work with the tenants to ensure they are well settled into the new style of care and support. Then if the competitive tender process results in a new provider being selected, the tenants are in a stronger position to adjust to this change.

**10. Please explain how any remaining negative impacts can be justified?**

The above proposed will be presented to Cabinet to approve the extension to the existing provider service contracts. If this is approved, then we will be implementing the changes as suggested through the consultation process.

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 <p><b>Brent</b></p>	<p><b>Cabinet</b> <b>27 June 2016</b></p> <p><b>Report from the Strategic Director of Community Wellbeing</b></p>
<p>For Action</p> <p>Wards affected: ALL</p>	
<p><b>Housing Supply and Demand – Homelessness, Allocations, and Social Lettings</b></p>	

## 1. Summary

- 1.1 This report provides an analysis of housing supply and demand issues, including performance in 2015/16 and challenges for 2016/17 onwards..
- 1.2 The report recommends that the allocation of 71% of social housing lettings to homeless households in 2016/17.

## 2. Recommendations

That Cabinet:

- 2.1 Note the analysis of affordable housing supply and demand issues, including performance in 2015/16 and challenges for 2016/17 onwards.
- 2.2 Agree the target proportion of social lettings for 2016-17 for homeless, housing register and transfer applicants as set out in paragraph 6.14 in the main body of this report.

## 3. Introduction

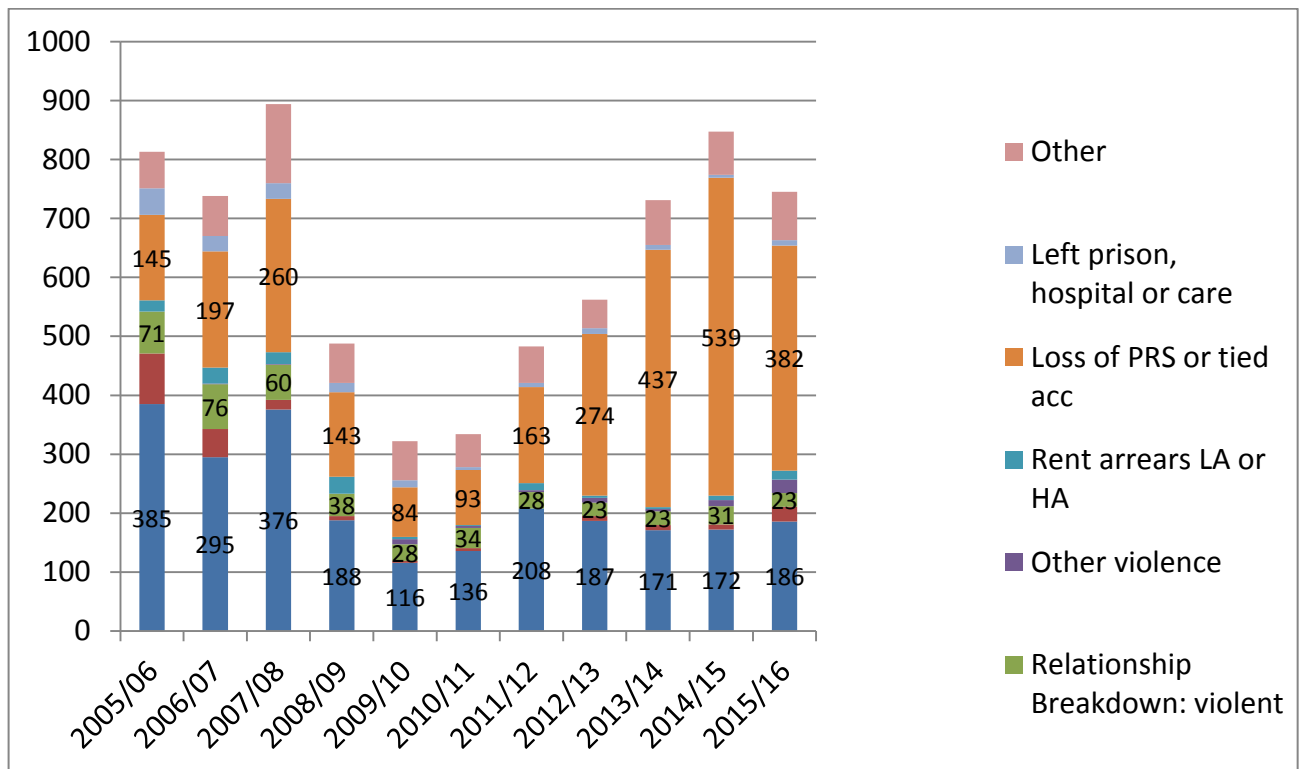
- 3.1 The body of this report is divided into the following sections:

- Homelessness
- Temporary Accommodation
- Social Lettings

## 4. Homelessness

- 4.1 The number of households to whom the council accepted the statutory duty to accommodate decreased significantly in 2009/10 and 2010/11, coinciding with the implementation of the Local Housing Allowance (LHA). LHA is used to calculate how much Housing Benefit a tenant is entitled to receive to pay towards their rent.
- 4.2 The maximum LHA rent that Housing Benefit will pay depends on the Broad Rental Market Area (BRMA) where the property is located, and the number of bedrooms the household is deemed to require, depending on their family size and composition.
- 4.3 When LHA was first implemented, the rate was set at the median rent for each property size within a BRMA. The impact of this was to significantly increase the amount that Housing Benefit would pay, particularly in the South of Brent, which is located in the Inner North London BRMA, which also covers parts of Camden and Islington.
- 4.4 However, since the implementation of the LHA cap, introduced in October 2011, resetting the LHA calculation to the 30<sup>th</sup> percentile, and applying a maximum cap for each property size, homelessness acceptances in Brent have more than doubled over the past 5 years. This growth is due to the growing unaffordability of the private rented sector in Brent to families on low incomes and is now the main driver of homelessness acceptances in Brent.
- 4.5 The total number of households who were accepted as homeless in 2015/16 was 745. The main reason for homelessness was households being evicted from the private rented sector, 382 households. Although this figure has reduced from 2015/16, this reason for homelessness accounted for 51% of all homelessness acceptances in Brent.
- 4.6 The other main reasons for homelessness in Brent during 2015/16 were Family Evictions (25%), Domestic Violence (3%) and Other (11%). The "Other" reasons for homelessness are a combination of properties being unreasonable to continue to occupy, non-violent breakdown in relationship, and other evictions.

Table 1 – Reason for Homelessness of Accepted Applications by Financial Year.



4.7 Due to the lack of availability of social housing in Brent to meet demand from homeless households, the council is making use of the power provided by The Localism Act 2011 to end the main housing duty by making an offer of suitable accommodation in the Private Rented Sector (PRS)

4.8 Due to the lack of affordable accommodation in the PRS in Brent, the council is dependent on accommodation that is outside of the borough, where there is more supply of affordable accommodation.

4.9 Despite the challenges in securing affordable accommodation in the PRS, the council ended the main homelessness duty to a total of 252 households in 2015/16, 75 of whom were secured accommodation in Brent. A full breakdown of the areas where accommodation was secured is illustrated in table 2 below.

Table 2 – Area where PRS accommodation was secured

Area	Number of Properties
Brent	75
Other London boroughs	111
Midlands	42
Other outside of London	24
<b>Total</b>	<b>252</b>

- 4.10 This supply of accommodation has made a significant contribution to meeting the demand from homeless households in Brent, and making the best use of the limited supply of affordable accommodation in the PRS is pivotal to our strategy to tackle homelessness.
- 4.11 The council has employed a full time resettlement officer who is based in the Midlands, to assist households who are relocated to the Midlands to settle in the area. The support that is provided is tailored to the individual needs of the family, and includes the following services;
- Liaison with local Housing Benefit services to ensure all claims are in payment
  - All utilities are connected and functioning
  - Application lodged to secure school places
  - Registration with GP
  - Assistance with securing employment or registering at JCP
  - Referral to local social services
- 4.12 Accommodation in the PRS is also key in the prevention of homelessness. Formal consultation began on 13 May 2016 to restructure the Housing Options Team into a homelessness prevention team with a much reduced emphasis on statutory assessment. This will separate the functions that support customers in housing need most directly, namely housing advice, and specialist prevention work, including the new Find Your Home (FYH) Service, from the statutory homelessness assessment
- 4.13 The Council's new Find Your Home (FYH) Service is a transformational change in the way we manage demand for affordable housing in the borough. The project involves working with people who approach the Housing Options service as early as possible and working with them either to stay in their existing accommodation using established homelessness prevention techniques, or to find a new home of their choice in the PRS in an area they can afford to live.
- 4.14 Three months resettlement support, (as outlined above) is provided to each household to ensure they settle into their new home, which also provides reassurance to landlords. Over the next few months we will be fully integrating this offer to Brent's employment and skills service to ensure that all FYH clients have the best opportunity to gain employment or to improve their employment circumstances if already working.
- 4.15 The FYH service commenced as a pilot in September 2015, and has helped to dramatically reduce the number of households who have had to be placed in Temporary Accommodation by the council. Brent's use of emergency Bed & Breakfast has dropped from over 200 in April 2015 to 9 as at present, partly as a direct result of the FYH programme.

## 5. Temporary Accommodation

- 5.1 Although the council is able to meet the main homelessness duty for newly accepted households by making an offer of suitable accommodation in the PRS, there will always be cohort of households who are unable to move into the PRS due to social, welfare or other reasons and will therefore require Temporary Accommodation (TA) while they wait for an allocation of suitable social housing.
- 5.2 There is also a backlog of historic cases, where the homelessness duty was accepted before the implementation of the power to end the duty in the PRS (9 November 2012). The Government are currently considering making this power retrospective, however unless they do so, we cannot end the duty to this cohort with an offer of accommodation in the PRS, without their explicit consent.
- 5.3 Historically Brent has had the largest number of households living in TA in England and Wales. However during 2015/16 we have reduced our use of TA, so we now have fewer households than 3 other London councils (Newham, Haringey and Croydon).
- 5.4 At the end of March 2016 there were a total of 2,946 households living in TA, a 7% decrease from 2014/15 (215 households). This decrease in the use of TA, and especially the use of Bed & Breakfast accommodation is bucking the national trend where the number of households in TA at the end of Q3 2015/16 increased 12% compared to Q3 2014/15, and the use of B&B also rose by 13% over the same period.

### Temporary Accommodation Reform Plan

- 5.5 A report went to cabinet in March 2016 that set out a plan of action to improve the quality of temporary accommodation and reduced revenue cost to the council, whilst alleviating the pressure to allocate so much social housing to homeless households. The main points of this are summarised below.
- Roll Out of the “Find Your Own” programme, which aims to prevent homelessness by intervening early and empowering households threatened with homelessness to access PRS accommodation in areas they can afford.
  - Making all <sup>1</sup>Stage 1 short term temporary accommodation self contained by planned development of identified sites in Brent.

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<sup>1</sup> Stage 1 temporary accommodation is defined as accommodation in which households who approach the council in an emergency may be accommodated for a short time pending assessment of their case and/or while longer term accommodation is found. Stage 2 temporary accommodation is self contained accommodation of a size suitable for households to live in for an extended period. An intermediate stage of “step down” accommodation is also required for households, whose case has been assessed and who need to stay in Brent, but for whom suitable stage 2 accommodation cannot yet be found.

- Improved procurement of PRS accommodation to prevent homelessness or end a homelessness duty, including by external commissioning and through a pilot project with other West London boroughs.
  - Acquisition of a large portfolio of long term PRS accommodation in which to be able to accommodate households who have been homeless at LHA rates into the future
  - Development of new build LHA rent PRS accommodation inside and outside Brent.
  - Development of a more integrated package to assist housing needs clients into employment.
  - Enhanced resettlement services in the main areas where the council is placing homeless households.
- 5.6 If successful, implementation of this plan will deliver long term savings to the council and better quality accommodation for homeless households, whilst reducing pressure on the council's social housing allocations.

## 6. Social Lettings

- 6.1 All social housing in Brent is allocated through the Housing Register, which is a register of housing need in the borough. The council operates a choice based lettings scheme – Locata, to prioritise households who require social housing. Because the demand for housing exceeds supply the Housing Register is a record of demand, broken down into priority bands as defined within the Housing Allocations Scheme to prioritise those households that are in greatest need and have been waiting the longest for an allocation of Housing.

### The Banding system

- 6.2 All applicants are assessed and placed in a priority band (A-C) within the Locata scheme, according to their housing need. The full criteria for each band is set out in the Housing Allocations Scheme

**Band A:** emergency need to be rehoused or releasing adapted or larger properties

**Band B:** identified housing need and urgent need to be rehoused

**Band C:** identified housing need and need to be rehoused – including accepted homeless households

- 6.3 Applicants who do not meet the criteria for band A, B or C will not be able to bid for properties on Locata. These applicants are placed in band D and are provided information about alternative housing options

6.4 When applicants fall within the same band, priority is determined through their priority date. Initially, an applicant's priority date will correspond to the date they registered to join the housing register. Priority dates may alter when an applicant moves up and down bands.

6.5 The Housing Allocations Scheme covers:

- Allocation of local authority housing to new tenants
- Transfers requested by local authority tenants
- Allocation of local authority housing to current tenants of Registered Providers
- Nominations that the Council makes to Registered Providers

Demand from homeless households, council tenants seeking a transfer and applicants on the Housing Register are mapped against expected future trends and supply levels

6.6 Following the revision of the Council's Allocation scheme in February 2014, the number of households who are eligible to bid for social housing was significantly reduced to ensure that the limited stock of social housing that is available is allocated to those households in the most need.

6.7 Households that were deemed to have a low priority, or no priority for housing under the new scheme were reregistered and placed in priority Band D, and are no longer able to place bids for social housing.

6.8 There are currently 4060 households in the priority Bands A to C, which provides an indicator of unmet housing need in the borough for those households who have been identified as having a medium to high priority for housing, including accepted homeless households.

6.9 There are a further 14,081 households who are a low or no priority for housing who are in priority Band D, making a total of 18,141 households currently registered.

### **Housing Register and Transfers Demand**

6.10 Of the 4060 households in 'active' bands on Brent's Register, 17% are in Bands A or B and 83% are in Band C. Homeless households in Bands A to C make up 74% of the active register. A breakdown of current applications on the register, by demand group and the number of bedrooms needed is provided in Appendix A.

6.11 In 2016/17 there will be a projected 712 lettings into social housing tenancies (Council and housing association) which will meet around 18% of the current total demand from Bands A to C

### **2015/16 social lettings**

6.12 At the beginning of each financial year, Cabinet are asked to approve a set of detailed lettings projections. The table below summarises actual lettings performance for 2015/16 against original projections.

Table 3 – Lettings Variance from Targets – 2015/16

		Targets 2015/16	Actuals 2015/16	% Variance	% of lettings
Target Group	Homeless	471	551	+17	76
	Register	53	108	+104	15
	Transfer	65	65	zero	9
	Total	589	724	+23	100

6.13 The overall target was exceeded by 23% in the number of lettings that were achieved compared to the forecast for 2015/16. This was in part due to a number of new schemes that were delivered early. The original forecast of Housing Association units that would be available for letting during 2015/16 was 371, however the actual number of units that were available was 429 (a 16% increase).

6.14 Lettings to Brent Housing Partnership units during 2015/16 were 195 against a forecast of 218 (an 11% reduction). This in part reflects the low level of transfers but also results from the trend of reduction in void and re-let rates that has been seen in recent years, which reflects the lack of options available to tenants who wish to move on from social housing.

6.15 There was a target of 80% of lettings to homeless households in 2015/16. In practice 76% of lettings were made to this group. A detailed breakdown of lettings made in 2015/16, with a breakdown of beds needed and demand groups are provided in Appendix B.

6.16 The 75% (540) of the 724 units of social housing that were allocated last year were allocated to households who were registered in priority band C on Locata. 16% (115) were allocated to households in band B and 9% (69) were allocated to households in band A

### Lettings Projections 2016/17

6.17 The majority of the 712 lettings of social housing expected to be made during 2016/17 will become available through re-lets within existing social housing stock, including those arising from the transfer of existing tenants. However the Council expects a total of 201 additional properties to be delivered through the new build programme. Furthermore due to slippage from last year, another 49 properties will be delivered this financial year that had originally been forecast to be delivered in



2015/16, plus a further 60 units are expected to be acquired using Right to Buy receipts. The total supply of new units for this year is therefore 310. A level of contingency has been assumed to allow for slippage of delivery into 2017/18. Appendix C provides a table of anticipated supply. Table 4 summarises the distribution of these lettings by property size

Table 4 – Brent and Housing Association Projected Lettings – 2016/17

	1 bed	2 bed	3 bed	4 bed +	Total
Brent	115	80	35	20	250
RSL	120	170	100	72	462
Total	235	250	135	92	712

### Homeless Households

- 6.18 It is recommended to reduce the number of lettings that are targeted for homeless households to 71%. This percentage is smaller than last year. This is because we recommend that we increase the number (percentage) of allocations to Council tenants who need to transfer from one social housing unit to another. This will create a chain let and therefore an increase in the overall number of lets, as well as address the housing needs of some of the tenants who require a transfer to alternative accommodation due to overcrowding, under occupation, medical and other grounds. This will support achievement of the Housing Strategy objective to halve severe overcrowding in the social housing sector in Brent by 2019. The anticipated overall distribution of lets to different groups for different bed-sizes is shown in the table below.

Table 5 – Anticipated distribution of lets by property size to demand groups

	1 bed	2 bed	3 bed	4bed+	Total	%
Housing Register - Homeless	110	210	110	79	509	71
Housing Register - Other	50	15	9	5	79	11
Transfers	65	35	16	8	124	18
Total	225	260	135	92	712	100

### **Social housing mobility funding scheme**

- 6.19 The Council has been successful in securing £75K of funding from the DCLG for a Social Housing Mobility scheme. This scheme will assist households who are registered for a transfer of accommodation, who

currently have little realistic chance of a move due to having a low priority, or no priority for housing, as defined by the allocation scheme.

- 6.20 The Social Housing Mobility scheme will facilitate moves among this group while increasing overall movement within the stock, and has a target of achieving 100 moves over the next two years.

## **7. Financial Implications**

- 7.1 The 2016/17 net Housing Needs temporary accommodation budget is £6.83m. This represents total budgeted expenditure of £50.18m and income of £43.35m. It includes landlord incentive payments as well as the net costs of temporary accommodation provision.
- 7.2 In setting the 2015/16 council budget it was agreed that the Housing Needs budget would make savings of £0.84m in 2016/17 and £0.5m in 2017/18, a total of £1.34m.
- 7.3 Although this reports recommends reducing the percentage of lets to accepted homeless families, the actual number of lets to accepted homeless will remain approximately the same as the total number of units available for lets in 2016/17 will increase. Therefore, there is no direct financial implication on the 2016/17 temporary accommodation budget in reducing the percentage of allocation.

## **8. Legal Implications**

### **Housing Register / Allocations Scheme**

- 8.1 The primary legislation that governs the allocation of new tenancies is set out in Part VI of the Housing Act 1996 (“the 1996 Act”), as amended by the Homelessness Act 2002 “the 2002 Act”) and the Localism Act 2011. As enacted, the 1996 Act introduced a single route into council housing, namely the Housing Register, with the intention that the homeless have no greater priority than other applicants for housing. Since the enactment of the 2002 Act, councils are required to adopt an allocations policy which ensures that “reasonable preference” is given to certain categories of applicants (which are set out in section 166A of the 1996 Act as amended by the Localism Act 2011 and includes homeless households and persons living in overcrowded conditions and persons who need to move on medical or welfare grounds), and to allocate strictly in accordance with that policy. An allocation of accommodation under Part VI of the 1996 Act must be made in accordance with the Council’s own allocation policy (cf. section 166A (14) of the 1996 Act). Allocation of temporary accommodation pursuant to the Council’s homelessness duties under Part VII of the Housing Act 1996 is not governed by Part VI of the 1996 Act.

- 8.2 Brent adopted Locata, a choice-based Allocations Scheme, working in partnership with other local authorities and Housing Associations in the West London Alliance in 2003. Locata applies to all categories of applicant, including those seeking a transfer within Council housing. Although an analysis of demand and lettings is made with reference to (i) homelessness, (ii) Housing Register and (iii) transfer demand; there is no legal difference in the duties owed to people in each of these categories for the provision of accommodation under Part VI of the Housing Act 1996.

### **Homelessness legislation and case law**

- 8.3 The primary legislation governing decisions on homeless applications is Part VII of the Housing Act 1996, which was amended by the Homeless Act 2002. The Council is required to make decisions on homeless applications within the scope of the legislation bearing in mind local demand. Local authorities have a duty under Part VII of the Housing Act 1996 to house homeless persons in temporary accommodation who satisfy the qualifying criteria (i.e. eligibility, homeless, priority need, not intentionally homeless and local connection).
- 8.4 The Council can only discharge its duty to those qualifying homeless persons in temporary accommodation under the circumstances set out in section 193 of the Housing Act 1996 and the circumstances in which this duty can be discharged are as follows: (i) if the homeless person accepts an offer of permanent accommodation from the Council in the form of a secure tenancy under Part VI of the Housing Act 1996; (ii) if the homeless person accepts an offer of an assured tenancy (other than an assured shorthold tenancy) from a private landlord; or (iii) following the changes made by the Localism Act 2011 which were effective from November 2012, if the homeless person accepts an offer of private rented accommodation where there is a fixed term of at least 12 months.
- 8.5 The Localism Act 2011 has enabled Local Authorities to fully discharge the full housing duty to homeless applicants by making a Private Rented Sector Offer (PRSO) (s193 (7AA)-(7AC) Housing Act 1996 as amended by the Localism Act 2011). This only applies to those homeless applicants who were accepted as homeless since 9 November 2012.
- 8.6 The Homelessness (Suitability of Accommodation)(England) Order 2012 sets out what matters are to be taken into account in determining whether accommodation is suitable for a person and also sets out circumstances where accommodation, which is being provided to an applicant for the purpose of a private rented sector offer under section 193(7F) of the 1996 Act, is not to be regarded as suitable.

## **9. Diversity Implications**

- 9.1 An Online Equality Impact Assessment has been completed to consider the impact of the reduction in social housing lettings allocating from 80% to 71% to accepted homeless households.
- 9.2 There are some negative impacts to the proposal to reduce the allocation to 71% of social housing lettings to homeless households, as a high proportion of the applicants who are accepted as homeless are from BAME origins and female headed applications. However, the negative impact is mitigated by the fact that the same protected groups currently living within the social sector and the private rented sector will experience increased access to social housing lettings.

## **Staffing/Accommodation Implications**

- 10.1 Resources within the housing needs service have been deployed to support the initiatives and approaches set out in this report and this deployment will be adjusted as necessary.

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PHIL PORTER  
Strategic Director Community Wellbeing

## Appendix A - Current Live Applications

		Number of Bedrooms Required									Sum:
		1	2	3	4	5	6	7	8	9	
	ELDERLY SHELTERED	250	1								251
	HOMELESS APPROVED	113	1223	1198	375	93	15	1			3018
	LEAVING CARE	27	2								29
	MANAGEMENT TRANSFER	5	8	6	3	2					24
	MEDICAL	33	29	42	9	2					115
	MOVE ON QUOTA	15	1	2	1						19
	OVERCROWDING		52	167	66	11	1				297
	PERMANENT DECANTS	46	17	7	1						71
	SOCIAL HARDSHIP		2	4	3						9
	STATUTORY DUTY	1									1
	SUCCESSION (UNDEROCCUPATION)	17	1								18
	UNDEROCCUPATION	72	33	4							109
	UNSATISFACTORY HOUSING	5	2								7
	QUALIFYING OFFER	9	28	41	9	3	1				91
	ARMED FORCES	1									1
	Sum:	594	1399	1471	467	111	17	1			4060

## Appendix B - Lettings Performance BHP and Housing Association – 2015/16

	Bedroom Size					Grand Total
	1	2	3	4	4+	
<b>HOUSING REGISTER</b>						
CHILDREN LEAVING CARE	31	1				32
APPROVED HOMELESS	125	247	141	34	4	551
MEDICAL	5	6	4	1		16
OVERCROWDING		2	3	4		9
CONTRIBUTION TO MOBILITY (YOUR MOVE)	5	2	1			8
UNSATISFACTORY HOUSING CONDITIONS	1					1
MOVE-ON QUOTA	17					17
ELDERLY SHELTERED	20					20
QUALIFYING OFFER	1	1				2
<b>Sub Total</b>	<b>205</b>	<b>259</b>	<b>149</b>	<b>39</b>	<b>4</b>	<b>656</b>
<b>TRANSFERS</b>						
UNDER OCCUPATION	11	5	1			17
DECANT	22	2	4			28
SUCCESSION (UNDEROCCUPATION)	17	1				18
MANAGEMENT TRANSFER	2	2	1			5
<b>Sub Total</b>	<b>52</b>	<b>10</b>	<b>6</b>			<b>68</b>
<b>Grand Total</b>	<b>257</b>	<b>269</b>	<b>155</b>	<b>39</b>	<b>4</b>	<b>724</b>

## Appendix C –Projected Lettings 2016/17

For Brent Council properties, the projection is made based on last year's lets, i.e. Council owned properties that became available to relet, and a small number of new build units

For Registered Provider properties, the projections are made based on the number of existing properties that became available to let as well as new builds.

The table below shows the number of new build units that will become available during 2016/17..


Address	Provider	Tenure	Total Units
Burnt Oak Broadway Affordable Rent	Catalyst	Affordable Rent	44
Kilburn park Road Rent S106 NW65LF	Home Group	Rent	23
LBB - BHP BID (1 CAM Estate, Ainsworth Close)	London Borough of Brent	Affordable Rent	3
LBB - BHP BID (2 - Slough Lane)	London Borough of Brent	Affordable Rent	3
LBB - BHP BID (3 - Eskdale Close)	London Borough of Brent	Affordable Rent	3
74 Acton Lane London NW10 8TU	Genesis	Affordable Rent	2
LBB - BHP BID (4 - Rokesby Place)	London Borough of Brent	Affordable Rent	2
Biko House Affordable Rent	Network	Affordable Rent	18
LBB - BHP BID (5. Mead Court)	London Borough of Brent	Affordable Rent	2
Nightingale Avenue (NWP) Affordable Rent	Network	Affordable Rent	56
LBB BHP BID (6 - Runbury Circle)	London Borough of Brent	Affordable Rent	3
LBB BHP BID - (8 - William Dromey Court)	London Borough of Brent	Affordable Rent	4
LBB BHP BID - (9 - James Stewart House)	London Borough of Brent	Affordable Rent	3
Press House Affordable Rent	Network	Affordable Rent	35
<b>Total</b>			201

Taking the above into account, the predicted number of lets for the 2016/17 financial year is expressed in the table below:

	1 bed	2 bed	3 bed	4 bed +	Total
Brent	115	80	35	20	250
RP	120	170	100	72	462
<b>Total</b>	<b>235</b>	<b>250</b>	<b>135</b>	<b>92</b>	<b>712</b>





 <b>Brent</b>	<p style="text-align: center;"><b>Cabinet</b> 27 June 2016</p> <p style="text-align: center;"><b>Report from the Strategic Director, Community Wellbeing</b></p>
<p>Wards affected: All</p>	
<p><b>Housing Right to Buy Receipts Programme – Phase 1 update and Phase 2 Procurement</b></p>	

## 1.0 Summary

- 1.1. In August 2015 Cabinet agreed to establish and deliver a Right to Buy (RTB) receipt enabled new supply housing programme for 2015-19. Phase 1 of the programme, to purchase open market properties, is substantially underway and nine acquisitions have been completed to date. Soft market testing has been carried out of prospective external delivery partners for Phase 2, and an alternative investment approach is now proposed.
- 1.2. It is recommended that, in order to maximise Brent's opportunities to provide replacement affordable homes using RTB funding and to minimise the risk of unspent amounts being paid to government, a multi-strand investment approach should be adopted. The four key strands of this strategy are:
- To award local authority grant to external providers to provide new affordable housing, leveraging significant private investment
  - To invest RTB receipts in the direct delivery of council-owned sites to provide new affordable housing, reducing overall council borrowing
  - To continue the existing acquisition programme to provide new affordable housing, integrated with the council's wider market acquisitions programme

- To support investment in the Housing Zones, to acquire development sites in order to facilitate and accelerate development, and the provision of affordable housing.

1.3. Based on the RTB receipts accrued to the end of March 2016 (£19.3m), which can be used to fund up to 30% of the total cost of providing replacement affordable rented homes, there is total investment pot in excess of £60m. The size of this pot is further increased once projected RTB sales income is included, over the next three years.

## **2.0 Recommendations**

### **Cabinet:**

2.1 Note the progress of the Right to Buy Receipts Programme Phase 1 to April 2016 and its integration with the wider market acquisitions programme, as set out in paragraph 6.11 of this report.

2.2 Agree to continue this Programme to acquire existing properties until 31 March 2019, subject to financial viability including the flexibility to part-fund the cost of advance purchases within the South Kilburn regeneration area through retained Right to Buy receipts.

2.3 Agree to allocate retained Right to Buy receipts as local authority grant for the provision of affordable housing by external partners and to delegate authority to the Strategic Director for Resources in consultation with the Chief Legal Officer, the Chief Finance Officer and the Operational Director, Housing and Culture to approve criteria for grant funding, to approve criteria for the evaluation of bids and to approve the allocation of such grant on acceptable terms.

2.4 Agree to contribute retained Right to Buy receipts to support residential development of council-owned sites and for a commensurate proportion of the homes to be provided as affordable rented accommodation, subject to financial viability and to delegate authority to the Strategic Director for Resources in consultation with the Chief Legal Officer, the Chief Finance Officer and the Operational Director, Housing and Culture to approve the contribution of such receipts.

## **3.0 Background**

3.1 The government's current policy on the Right to Buy (RTB) for council housing is intended to stimulate sales and generate additional receipts to fund replacement stock on a one-for-one basis. In order to keep the receipts from additional sales, local authorities were able to enter into a Retention Agreement with the Secretary of State for Communities and Local Government on condition that the retained receipts are used for the provision of affordable housing. Brent entered into a Retention Agreement in 2012.

3.2 In August 2015 Cabinet agreed to establish and deliver a RTB receipt enabled new supply housing programme for 2015-19. As part of this new housing supply programme Cabinet has agreed:

- In Phase 1 of the programme, to 31 September 2016, to purchase open market properties for the provision of affordable housing, expending a minimum of £2.01m of RTB receipts (30%) and £4.69m of Housing Revenue Account (HRA (70%)) capital resources.
- In Phase 2 to procure, subject to Cabinet approval, a Preferred Delivery Partner to provide new affordable housing with the support of a minimum of £11.64m RTB receipts in 2016-19, leveraging at least £27.16m of private funding provided by the external partner.

3.3 It was also agreed for the balance of the funding to be available to support investment in the two Housing Zones, subject to further Cabinet approval.

3.4 Phase 1 of the programme is substantially underway and ahead of the minimum required spending profile. Soft market testing has been carried out of prospective external delivery partners for Phase 2 and, based on the feedback received, an alternative investment approach is now proposed for the second phase.

#### **4.0 Current RTB Receipt Reserves and Investment Deadlines**

4.1 Brent has accrued a total of £19.3m retained RTB receipts to the end of March 2016, as summarised in Appendix 1. This amount will continue to grow as more tenants buy their homes under the government's Right to Buy scheme. Retained RTB receipts can be used to fund up to 30% of the total cost of providing replacement affordable rented homes, with the balance (at least 70%) coming from council borrowing or private investment from external partners. This means that the total investment pot is at least £61.6m.

4.2 Retained receipts must be spent within three years of the quarter year in which the receipts arose or any unspent amounts are required to be paid, with interest, to government. During 2015/16 a total of £2.7m of expenditure (£0.8m RTB receipts plus £1.9m council borrowing) was completed against a minimum spend requirement of £2.2m. No RTB receipts have been paid to government to date. Approximately £4.0m (£1.2m RTB receipts plus £2.8m council borrowing) is required to be invested by the end of September 2016.

#### **5.0 Phase 1 Outputs and Future Acquisition Approach**

5.1 Brent Housing Partnership (BHP) has been commissioned to buy properties, in Brent, on behalf of the council to April 2016. The preferred approach has been to target off market purchase of former council homes that have been sold previously under the RTB. Four such properties were acquired in Q4 2015/16 and a fifth property has been purchased during Q1 2016/17. These homes will be brought up to standard prior to re-letting by BHP.

5.2 This approach is advantageous because former council homes can be managed cost effectively by BHP in areas of existing stock and are more

likely to be affordable in the current housing market. Even so only a small proportion of potential purchases are financially viable at policy affordable rent levels.

- 5.3 In addition to the above the council has acquired a former residential care home, at Salmon Street in Wembley, which will be refurbished by BHP to provide six bed spaces of supported housing through the New Accommodation Independent Living (NAIL) programme.
- 5.4 Furthermore, during 2015/16, the council completed advance purchases of three properties in the South Kilburn regeneration area, which are currently being used to provide Temporary Accommodation for homeless households. These purchases have been accounted for within the RTB programme, in order to utilise the 30% retained receipts element, thus reducing overall council borrowing.
- 5.5 Phase 1 purchases to date are summarised in Appendix 2. The minimum spend requirement for 2015/16 and Q1 2016/17 has been exceeded so Brent has not been required to pay any amounts to government. However, the amounts required to be invested in each quarter year step up significantly from Q2 2016/17 and the Phase 1 programme is therefore being accelerated, as set out below.
- 5.6 In March 2016 Cabinet approved the Temporary Accommodation Reform Plan, a key element of which is for the council to acquire a significant portfolio of Private Rented Sector (PRS) homes, with initial capital investment of £10m. This programme, led by the Housing Needs team, has commenced and the council's Property Services team is recruiting a specialist team to undertake these acquisitions at scale. This team will also carry out future RTB purchases, from May 2016, in order to ensure a consistent and resource effective approach within the council.

## **6.0 Phase 2 Proposed Alternative Procurement Strategy**

- 6.1 It was originally intended to procure a Preferred Delivery Partner, either via the Greater London Authority (GLA) London Development Panel 'mini competition' process or through a full procurement process following advert in the Official Journal of the European Union, to provide new affordable housing in Phase 2 of the programme. Soft market testing of this approach has been undertaken with prospective delivery partners and the finding from this is that there is unlikely to be sufficient market interest to support this procurement approach.
- 6.2 This is in large part because the level of capital subsidy provided by RTB receipts is not sufficient on its own to support a major programme with a single partner for the development of affordable rented homes in Brent, because of the cost of land and development. Prospective partners did, however, indicate interest in accessing RTB receipt support for selected schemes. To achieve the scale of investment and development required this would, however, require engagement with a number of partners rather than involve reliance on a single partner.

- 6.3 This feedback accords with the experience of other London authorities that have found it challenging to commit RTB receipts funding at the rate at which it accrues. An alternative, multi-strand approach is therefore proposed in order to maximise Brent's opportunities to provide replacement affordable homes using RTB funding and to minimise the risk of unspent amounts being paid to government. The four key strands are set out below.

#### Award of Local Authority Grant to External Housing Providers

- 6.4 The favoured approach of Registered Provider partners and one adopted by other local authorities is for the council to allocate RTB receipts as (up to 30%) grant in order to support the delivery of additional affordable rented homes, to which Brent would have nomination rights. This would leverage significant private finance (at least 70%) from external partners, as was envisaged in the August 2015 Cabinet approval.
- 6.5 It would also be possible to combine funding streams, for example GLA grant, within overall development schemes (but not individual units). Care will be required to ensure that RTB funding delivers additional affordable homes for Brent, rather than switching schemes between grant programmes or other delivery mechanisms, with no net gain of units.
- 6.6 It is therefore proposed to advertise the grant opportunity, including to Registered Provider partners, setting out criteria for grant funding and the criteria for evaluation of bids, and thereafter open dialogue with a range of prospective delivery partners in order to identify their development pipelines and the scope to provide additional rented homes with RTB funding. These homes would ideally, but not necessarily, be located in Brent provided that in all cases the council has the benefit of nomination rights.
- 6.7 Under this proposal individual investment decisions would be made on a scheme by scheme basis in order to match available RTB funding to the pipeline of new homes. Maintaining a flexible approach to the discussions with partners will help the council to secure value for money and early delivery of the highest aggregate level of replacement homes, balancing this against the risk of paying unspent RTB receipts to government. Providers would be required to enter into a grant agreement with the council, setting out the agreed delivery timetable for each scheme, as well as a nomination agreement in an agreed form.
- 6.8 Until the grant funding opportunity has been promoted to potential partners it is difficult to predict the level of market interest and the amount of RTB funding that could be taken up as grant. In August 2015 Cabinet committed £11.64m of RTB receipts to support the provision of new affordable housing by a Preferred Delivery Partner and this remains a realistic amount.

#### Direct Delivery of Council-Owned Sites

- 6.9 In accordance with the Strategic Property Plan 2015-18, the council is currently bringing forward residential development schemes at a number of key council-owned sites (including Church End and Knowles House, with

other schemes at London Road and Stonebridge Park subject to separate Cabinet approval). These sites are well-suited to providing sustainable, mixed tenure developments, while also supporting local area regeneration, generating revenue savings and new income.

- 6.10 It is proposed that, where practical and financially viable, RTB funding should be accounted for within these projects, in order to deliver units of Temporary Accommodation for households to which the council has a homelessness duty, NAIL accommodation and/or affordable rented homes. This would allow Brent to retain the value of its invested RTB receipts within council-owned assets and to reduce borrowing requirements accordingly. RTB receipts cannot be expended through a separate entity in which the council has a controlling interest. This precludes the use of RTB receipts to provide sub-market rent Private Rented Sector homes through a council-owned investment vehicle.

#### Continue the Existing Acquisition Programmes

- 6.11 As stated above Brent is establishing a property acquisitions team to acquire a significant portfolio of PRS properties and this team will also be purchasing properties for the provision of affordable housing, using RTB funding. As part of the wider approach to expending RTB receipts it is recommended that there should be flexibility to continue this RTB-funded acquisition programme beyond the original end date of 30 September 2016 until 31 March 2019, subject to financial viability. It is also recommended that the council should continue to part-fund future advance purchases at South Kilburn through the RTB programme, in order to reduce overall council borrowing.

#### Supporting Investment in the Housing Zones

- 6.12 The Alperton and Wembley Housing Zones are moving forward, with Wembley at a particularly key point in its development. A viable housing-led mixed use regeneration scheme is being developed for the eastern 'fringe' of Wembley town centre, where part of the council's land at the Ark Elvin Academy will be made available for development and offered as collateral to support a rolling programme of development to deliver key development sites along Wembley High Road and Wembley Hill Road. Grant funding of up to £8m from the GLA and deferred capital receipt from the council's school land will be invested to support the commencement of the programme.
- 6.13 It is envisaged that, working with a development partner, the town centre scheme will deliver 4,000 square metres of commercial floor space and 627 residential units, including 30% affordable housing. Opportunities for the council to acquire sites within the area in order to facilitate and accelerate development, and the provision of affordable housing, are being explored and could be partially supported by RTB receipts investment. Any such site acquisitions would be subject to separate Cabinet approval.

#### Managing Risks through the Multi-Strand Investment Approach

- 6.14 The primary risk is that the council is unable to invest sufficient RTB funding, to provide replacement affordable homes, within the three year time period for the expenditure of retained RTB receipts and that any unspent amounts are required to be paid to government, with interest. Allied to this is the risk that the council's investment does not secure additional affordable housing for Brent, rather it is used to fund homes that would have been delivered through other means.
- 6.15 The combination of approaches described above will allow for a flexible approach to assure timely expenditure of available receipts, maximisation of the number of replacement affordable homes, support council self-development and the strategic advancement of the Housing Zones. The balance of expenditure between these objectives will depend on a number of factors including the housing market, site opportunities and partner interest. The Housing Investment Board will oversee the allocation and expenditure of RTB receipts across these investment strands including the evaluation of grant submissions from external providers and monitoring scheme delivery.
- 6.16 The table below provides an indication of the expected balance of expenditure from existing and projected retained receipts over the next three years. An annual report accounting for expenditure and providing for any revisions to the approach set out will be brought to Cabinet.

Table: Indicative balance of RTB receipt income and expenditure 2016-19

<b>Indicative receipts and expenditure</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Totals</b>
Existing receipts at 31 March 2016	£18,921			
Projected new receipts arising*	£5,650	£5,650	£5,650	-
<b>Total receipts available (cumulative)</b>	<b>£24,571</b>	<b>£30,221</b>	<b>£35,871</b>	-
LA grant to external partners	£3,500	£4,000	£4,000	£11,500
Delivery of council-owned sites	-	£5,000	£5,000	£10,000
Existing acquisitions programme	£3,000	£3,000	£3,000	£9,000
Investment in Housing Zones	£1,500	£3,000	-	£4,500
<b>Sub-total (annual)</b>	<b>£8,000</b>	<b>£15,000</b>	<b>£12,000</b>	<b>£35,000</b>
Sub-total (cumulative)	£8,000	£23,000	£35,000	-

- 6.17 The above table includes both retained and projected RTB receipt amounts. Where investment is expected in council-led projects, separate provision will need to be made within those projects, for balancing capital resources to complement the maximum 30% RTB receipts element that can be attributed to the cost of providing affordable homes.
- 6.18 Detailed regulation and guidance is awaited on the government's requirement for the sale of higher value council homes. Once clarity is

available on the conditions for reinvestment of the retained element of sale proceeds, to provide replacement homes, there may be scope to align this with delivery of the wider RTB receipts programme.

## **7.0 Financial Implications**

7.1 Since 26 March 2015 the following RTB discount levels apply to disposals:

- 3 to 5 years – 35% discount for a house and 50% discount for a flat
- 6 years plus – add 1% per year for houses (up to 70% or the cash maximum – whichever is lower), add 2% per year for flats (up to 70% or the cash maximum – whichever is lower)

7.2 Under the Retention Agreement entered into on 20 July 2012, the 'pool' of retained RTB receipts has reached £19.3m, as at end of 2015/16 Financial Year, with receipts being available to support the provision of new affordable homes up to a required utilisation date of 31 March 2019. Taking into account the projected level of future RTB sales and the legislative changes in March 2015 to the RTB discount rates, this pool of retained receipts will continue to accumulate until such time that the Retention Agreement is terminated.

7.3 The retained RTB receipts can be used to fund no more than 30% of development costs within a period of three years, otherwise the council is required to return, with interest at 4% above base rate, any receipts that breach these conditions. A match funding contribution of 70% of development costs is required, which can be provided by the council as a direct provider or by another provider to whom the 30% retained receipts are transferred.

7.4 To avoid any clawback in 2016/17, total remaining investment of £18.9m is required (£5.7m RTB receipts and £13.2m capital resources) by year end, as indicated in the above table.

## **8.0 Legal Implications**

8.1 Section 17 of the Housing Act 1985 allows councils to acquire land for housing purposes and to dispose of land used for housing purposes to a person or organisation which intends to provide housing accommodation on the land or provide facilities which serve a beneficial purpose in connection with the requirements of persons for whom housing accommodation is provided. The general power of competence under section 1 of the Localism Act 2011 gives local authorities a broad range of powers "to do anything that individuals generally may do" subject to limits within other legislation and there are no adverse limits on the proposed scheme under the current legislation.

8.2 The council has powers under section 24(1) of the Local Government Act 1988 to provide any person with financial assistance for the purposes of, or in connection with, the acquisition, construction, conversion, rehabilitation,



improvement, maintenance or management (whether by that person or by another) of any property which is or is intended to be privately let as housing accommodation. Although this power is subject to consent from the Secretary of State for the purposes of section 25 of the Local Government Act 1988, in 2010 the Secretary issued a general consent under section 25 and that general consent allows, amongst other things, a local authority to provide any person with any financial assistance (other than the disposal of an interest in land or property) for the purposes of or in connection with the matters mentioned in section 24(1) of the 1988 Act.

8.3 Right to Buy receipts must be applied in accordance with relevant legislation and guidance and particularly the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) and the terms of any agreement reached under section 11(6) of the Local Government Act 2003 modifying the applicability of the regulations. As part of the retention agreement, the GLA has agreed to:

- (i) allow the local authority to retain additional net Right to Buy receipts to fund the provision of replacement stock, limited to 30% of the cost of replacement homes.
- (ii) allow the local authority three years (from the commencement of the agreement) to invest those receipts before asking for the money to be returned.

In return, the council has agreed with the GLA:

- (i) that Right to Buy receipts will not make up more than 30% of total spend on replacement stock, and
- (ii) to return any used receipts to the Secretary of State with interest.

8.4 The retention agreement with the GLA does not require a local authority to complete the building of any home within three years. All that is required is that the local authority should have incurred expenditure sufficient that Right to Buy receipts form no more than 30% of it.

#### Award of Local Authority Grant to External Housing Providers

8.5 The general power of competence in Section 1 of the Localism Act 2011 may be utilised to give grants to external housing providers, provided there is a good reason to do so. DCLG guidance specifically comments on the option to grant fund housing providers.

8.6 The council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is a capital programme which proposes to make use of the council resources in order to fund external housing providers in the delivery of affordable homes rather than be required to pay interest to the government on unspent receipts. It places the responsibility

for 70% of the costs of building replacement one for one homes on external housing providers, thereby protecting the borrowing margin of the council and making possible the delivery of larger programmes.

- 8.7 The council is obligated under the Treaty For the Functioning Of The European Union to deal with all bidders for funding in a fair open and transparent way. Therefore, the council must allow fair access to the funding by all potential recipients. This means that the council should advertise the availability of the funds and assess bidders and their bids on predetermined and pre-advertised criteria applicable to all in the same way.
- 8.8 As indicated in paragraph 6.7, it is intended to enter into a grant agreement with each successful external housing provider. This grant agreement will include provision for delivery of the project in line with the application and approval, including time scales having regard to the implications of failure to comply as set by central government. Robust monitoring requirements need to be in place, and contingency plans developed. Provision will be included for clawback of grant if the project is not delivered in accordance with the application and approval.
- 8.9 In order to ensure that the grant does not qualify as procurement activity the council must ensure that there is no pecuniary interest taken in the grant by the external housing provider beyond the general receipt of the funds. Therefore, the council must ensure that it is agreeing to cover actual cost to ensure that no profit element is taken by the provider.
- 8.10 It is clear that each external housing provider who receives a grant may gain an advantage in the market place generally for example, in respect of bidding for funding and work opportunities that could subsequently arise and this raises state aid issues. However, in the circumstances detailed in the body of the report it is not considered such a grant would constitute unlawful state aid. It is not considered that there would be any cross border interest as it is unlikely that the advantage gained by an external housing provider would assist it to bid for services and work in another member state.
- 8.11 Also, it is clear that the funds are available in order to create affordable housing in Brent or its surrounding area and not anywhere else within the European Union. Furthermore, the council is undertaking this route to “remedy a failure in the market place” in that it is making these grants to make good a shortfall in the building of affordable housing. Again grant aid that might otherwise be unlawful is allowable in this context.

## **9.0 Diversity Implications**

- 9.1 An Equality Impact Assessment has been completed for the RTB Programme. No specific equality groups have been identified and/or are anticipated to be adversely affected by the proposals set out in this report. It is anticipated that all equality groups will benefit from the deployment of RTB receipts through:
- Providing more housing choice and improving access to affordable accommodation

- Providing better quality housing across the borough.

## **10.0 Staffing/Accommodation Implications**

- 10.1 There are no immediate staffing or accommodation issues arising from this report.

### **Background Papers**

Brent Cabinet report – Affordable Housing Supply Programme – Right to Buy Receipts 2015 – 2019 (August 2016)

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Strategic Director, Community Wellbeing

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Appendix 1: Retained RTB Amounts at 31 March 2016

Pooling Period	Amount Retained Per Quarter £	Cumulative amount of Retained RTB Receipts £	Required amount of new build Expenditure £	Required Additional Funding £	Cumulative amount of new build Expenditure £	To be utilised by	Amount Utilised £	Balance of new build Expenditure to be expended £
2015/16 - Quarter 4	1,118,470.10	19,298,683.78	3,728,233.67	2,609,763.57	64,328,945.93	31st March 2019		61,605,223.35
2015/16 - Quarter 3	1,002,177.04	18,180,213.68	3,340,590.13	2,338,413.09	60,600,712.27	31st December 2018		57,876,989.69
2015/16 - Quarter 2	1,781,460.36	17,178,036.64	5,938,201.20	4,156,740.84	57,260,122.13	30th September 2018		54,536,399.55
2015/16 - Quarter 1	1,749,986.87	15,396,576.28	5,833,289.57	4,083,302.70	51,321,920.93	30th June 2018		48,598,198.35
2014/15 - Quarter 4	1,576,368.63	13,646,589.41	5,254,562.10	3,678,193.47	45,488,631.37	31st March 2018		42,764,908.79
2014/15 - Quarter 3	1,870,920.64	12,070,220.78	6,236,402.13	4,365,481.49	40,234,069.27	31st December 2017		37,510,346.69
2014/15 - Quarter 2	1,481,196.39	10,199,300.14	4,937,321.30	3,456,124.91	33,997,667.13	30th September 2017		31,273,944.55
2014/15 - Quarter 1	2,224,820.61	8,718,103.75	7,416,068.70	5,191,248.09	29,060,345.83	30th June 2017		26,336,623.25
2013/14 - Quarter 4	2,335,436.28	6,493,283.14	7,784,787.60	5,449,351.32	21,644,277.13	31st March 2017		18,920,554.55
2013/14 - Quarter 3	2,145,331.61	4,157,846.86	7,151,105.37	5,005,773.76	13,859,489.53	31st December 2016		11,135,766.95
2013/14 - Quarter 2	1,340,245.41	2,012,515.25	4,467,484.70	3,127,239.29	6,708,384.17	30th September 2016		3,984,661.59
2013/14 - Quarter 1	172,593.36	672,269.84	575,311.20	402,717.84	2,240,899.47	30th June 2016		(482,823.11)
2012/13 - Audit adjustment not yet confirmed by DCLG	5,463.75	499,676.48	18,212.50	12,748.75	1,665,588.27	31st March 2016	2,723,722.58	(1,058,134.31)
2012/13 - Quarter 4	494,212.73	494,212.73	1,647,375.77	1,153,163.04	1,647,375.77	31st March 2016		
<b>Amount Retained for Investment</b>	<b>19,298,683.78</b>		<b>64,328,945.93</b>	<b>45,030,262.15</b>			<b>2,723,722.58</b>	


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**Appendix 2: Completed RTB Receipt Phase 1 purchases at 30 April 2016**

<b>Address</b>	<b>Property type/size (on completion)</b>
<u>Completions 2015/16</u>	
121 Clarendon Gardens, Wembley HA9 7LF	2 bedroom flat
5 Crispian Close, Willesden NW10 1PW	2 bedroom flat
204A Walm Lane, Willesden Green NW2 3BP	2 bedroom flat
5 Wintour House, Wembley HA9 8UF	1 bedroom flat
3 Salmon Street, Wembley NW9 8PP	6 bedroom house
168 Hereford House, Kilburn NW6 5QJ	2 bedroom flat
23 Wordsworth House, Kilburn NW6 5YT	3 bedroom flat
32 Wordsworth House, Kilburn NW6 5YT	3 bedroom flat
<u>Completions 2016/17</u>	
20 Hyde Court, Kingsbury NW9 8BG	1 bedroom flat

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 <p><b>Brent</b></p>	<p style="text-align: center;"><b>Cabinet</b> 27 June 2016</p> <p style="text-align: center;"><b>Report from the Strategic Director of Children and Young People</b></p>
<p style="text-align: right;">Wards Affected: [ALL]</p>	
<p><b>Contracting for the provision of Special Educational Needs (SEN) for independent non maintained special school (INMSS) placements and additional resourced provision (ARP) in academies.</b></p>	

## 1.0 Summary

### 1.1 This report:

- Seeks approval to set up a Dynamic Purchasing System (DPS) for the placements of Children and Young People with Special Educational Needs in Independent Non Maintained Special Schools (INMSS) as required by Contract Standing Orders 88 and 89. Brent will be acting as the lead borough on behalf of the West London Alliance (WLA) in the procurement exercise for the DPS. The DPS will be utilised by the following WLA members: Barnet, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Royal Borough of Kensington & Chelsea and City of Westminster.
- Seeks approval for the continuation of the block contract with Centre Academy for special education placements for the academic year 2016/17.
- Considers the placement arrangements of Children and Young People requiring Additional Resourced Provisions (ARP) in maintained schools and Academies.

It should be noted that all placements of children with Special Educational Needs and Disability (SEND) are fully funded by the High Needs block of the Dedicated Schools Grant (DSG).

## **2.0 Recommendations:**

It is recommended that Cabinet:

- 2.1 Approves the setting up of a Dynamic Purchasing System (“DPS”) for placements of Children and Young People with Special Educational Needs who have been assessed for an Education, Health and Care (EHC) plan and require a placement in INMSS based on the tender considerations set out in paragraph 3.8 of the report.
- 2.2 Gives its approval for the Council to act as Lead authority and to jointly procure the DPS for and on behalf of the participating West London Alliance (WLA) authorities.
- 2.3 Delegates authority to the Strategic Director of Children and Young People to admit any new service provider(s) onto the DPS subsequent to them meeting their admittance criteria as stated by the Council in the DPS documentation.
- 2.4 Delegates authority to the Strategic Director of Children and Young People to award High Value Contracts for educational placements procured through the DPS.
- 2.5 Agrees an exemption from the procurement requirements of the Council’s Contract Standing Order 96 to enable the Strategic Director of Children and Young People, in consultation with the Chief Finance Officer and the Chief Legal Officer, to continue the block contract with Centre Academy for the provision of 15 special education placements for the academic year 2016/17. This will allow officers time to put in place the DPS to which Centre Academy will be invited to submit a tender for inclusion onto the DPS.
- 2.6 To note that all placements of children with SEND are fully funded by the High Needs block of the Dedicated Schools Grant (DSG).
- 2.7 To note the placement and funding arrangements for the provision of Additionally Resourced Provision places in maintained schools and Academies.

## **3.0 Detail**

- 3.1 The Council has a statutory duty to provide full time education for all children and young people between the ages of 5 and 16. The Raising Participation Age (RPA) places a duty on all young people to participate in education or training until their 18<sup>th</sup> birthday. The Council has a duty to assess, identify and

make appropriate provision for those with Special Educational Needs and Disabilities (SEND) ages 0-25 years as set out in the new SEN (Special Educational Needs) Code of Practice 2014 (Children and Families Act 2014 – SEND Reforms). The Council therefore has a responsibility to commission a range of specialist provision to meet these needs.

- 3.2 The majority of children and young people who have an Education Health and Care plan with SEND are placed in Brent or out of borough maintained mainstream special schools and Academies. In a minority of cases where needs are very high and complex and suitable provision is not available within the borough, pupils may be placed in an independent non maintained special school.
- 3.3 Children and young people identified with an EHC plan who have a learning difficulty such as speech and language and communication need, autism or hearing or visual impairment needs, may in some cases require Additionally Resourced Provision (ARPs). ARPs support the educational development through additional specialist provision and resources. These are units in maintained schools and those that have converted to Academies. The Council commissions these specialist places and admissions into these units are determined by the Council.
- 3.4 The specialist ARP places in Brent mainstream schools/Academies commissioned by the Council for Children and Young people with EHC plan cater for the following special education needs;
- Moderate Learning Difficulties (MLD)
  - Hearing Impairment (HI)
  - Autistic Spectrum Disorder (ASD)
  - Social, Language and Communication Needs (SLCN)
- 3.5 **MAINTAINED SCHOOLS** Where the Council has commissioned a number of specialist ARP places, the Council pays the top up fees according to the agreed banding amounts dependent on the child's needs. These are agreed by the Schools Forum and all costs are met from the Dedicated Schools Grant (DSG), high needs block funding stream. All the ARPs operate through a service level agreement that sets out the required provision and the Council's expectation of the school. The table below provides information on the ARPs in maintained schools for the academic year 15/16.

Primary School	Special Need	No of places	Top up per place
Kingsbury Green	HI	18	£10,014

- 3.6 **ACADEMIES** – The Council also commissions an agreed number of ARP places in Academies. The Council pays the top up fees based on the agreed banding to reflect the needs of the child/young person. These are agreed by the Schools Forum and all costs are met from the (DSG), high needs block funding stream. For Academies, the ARPs operate through a contractual agreement that sets out the required provision and the Council’s expectation of the academy. All Children and Young people will have an Education, Health and Care Plan (EHC plan). Decisions about ARP placements are made through the Council’s SEN Panel. The table below provides information on the ARPs in Academies for the academic year 15/16.

School	Special Need	No of places	Top up per place
Secondary ARPs			
Alperton	MLD ARP	20 places	£9,837 per place
Kingsbury High	HI ARP	7 places	£10,014 per place
Preston Manor	SLCN ARP	12 places-	£6,276 per place
Preston Manor	ASD ARP	12 places	£12,673 per place
Primary ARPs			
Oakington Manor	SLCN ARP	25 places	£2,403 per place
Oakington Manor	ASD ARP	10 places	£8,635 per place

- 3.7 **INDEPENDENT NON MAINTAINED SPECIAL SCHOOLS** – When appropriate SEND and ARP places are not available within maintained schools and Academies, due to (a) not enough places to meet the particular need, or (b) the need cannot be met within maintained schools / Academies, these SEND places are sourced from independent non maintained special schools. These could be within or outside the Borough dependent on the needs of the child / young person.

- 3.7.1 Currently the SEND educational places in independent non maintained special schools are procured via spot purchase agreements on an individual child or young person basis. This is facilitated by the exemption in the Council’s Standing Orders 86(f)(iii) which enables individual packages of education and care to be procured for children who cannot be catered for within maintained schools.

However, where the Council has significant numbers of placements in any one INMSS, it has proved to be more cost efficient to jointly contract (block placement) for these placements rather than separately. However as these independent schools are not maintained by the Council, each time a block placement is required, officers have had to seek Cabinet approval for an

exemption from the procurement requirements of the Council's Contract Standing Order 96.

- 3.7.2 To have a more efficient process for procuring future SEN placements from INMSS in compliance with Council standing orders and EU regulations, officers in Brent, working in collaboration with the West London Alliance (WLA) Children's Programme recommend putting in place a DPS.
- 3.7.3 A DPS is a completely electronic procurement procedure used for setting up and maintaining a list of providers from which commonly used goods, services and works can be procured. The DPS provides the ability of including new suppliers onto it during its period of operation.

The benefits of using the DPS for procuring SEN placement from INMSS are:

- The ability to include suppliers onto the DPS during its validity period:
  - potentially increases the supply base for the service provision.
  - ensures that the Council is not limited to certain suppliers which allows for far greater competition and drive savings.
  - allows the Council to develop and grow the supplier base via including new and more local sources of supply where available.
- Once established the DPS would provide an efficient process for procuring SEN placements within a shorter timescale
- The DPS process allows for admitting only suppliers who have met the Council admittance criteria. The admittance criteria will assess each organisation's knowledge, experience, and expertise in providing the required services. Please see 3.8(vi) for further information. This will ensure commissioning of quality SEN places to achieve the best outcomes for children and young people.

Furthermore, the DPS would provide a single agreed process for SEN procurement across the WLA authorities. This will reduce process duplication across the WLA authorities. It would also enable the WLA authorities to use its purchasing power to develop and influence an already challenging market which cannot be done by Brent alone.

- 3.7.4 Brent and the WLA have also consulted with the South London SEN Commissioning Programme which is made up of 10 South London Boroughs who have put in place a similar DPS system. This procurement exercise will incorporate the lessons learnt from the South London process, such as:
- Use of the National Association of Special Schools (NASS) Contract which the market is familiar with. The Council will modify this to ensure it meets the Council's requirements.

- Simplifying and modifying the procurement process in line with market capacity. This approach encouraged providers to work with the South London SEN Commissioning Programme.
- Incorporating an agreed quality assurance approach to ensure outcomes are linked to Education, Health and Care plans.

3.7.5 It is the intention for the DPS to be the main route used by Children & Young People (C&YP) for procuring SEN places from INMSS. However it should be noted that in response to parental choice and tribunal direction there will be rare occasions when procurement of SEN places will need to be made outside the DPS.

3.7.6 It is anticipated that the DPS will become operational in April 2017(provided there are enough organisations placed onto the DPS that would allow the Councils to procure from the DPS).

3.7.7 The Council will offer unrestricted, direct and full access to the DPS documentation by electronic means (via the London Tenders Portal) from the date of publication of the contract notice until 12 months to the date when the DPS ceases to operate.

3.7.8 As the Council will give any organisation the opportunity of joining the DPS within the period as stated in 3.7.7 above, officers have recommended that the Strategic Director for Children and Young People be given authority to appoint Service providers onto the Dynamic Purchasing System as and when required to prevent officers from returning to Cabinet to obtain approval each time a Service Provider is required to be appointed onto the DPS.

3.7.9 The number of organisations that can be admitted on to the DPS will not be limited, but it should be noted that only organisations who can demonstrate that they can meet the Council's set selection criteria will be admitted onto the DPS. The Council would also set out in the DPS documentation the circumstances upon which an organisation will be removed from the DPS including poor performance.

3.7.10 Please see **Appendix 1** for details on how:

- the DPS will be established
- organisations will be admitted onto the DPS
- SEN places will be procured via the DPS

3.7.11 The Children and Young People service currently has one block contract with Centre Academy (this is with an independent non maintained special school) for the provision of 15 places. It is recommended that Cabinet grants an exemption from the procurement requirements of the Council's Contract Standing Order 96 to enable the Strategic Director of Children and Young People, in consultation with the Lead Member for Children and Young People, Chief Finance Officer and the Chief Legal Officer, to continue the contract with

Centre Academy for the academic year 2016/17 for 15 places at a cost of £576,000. This cost is lower than the current spot purchase placement fee of £645,000 charged by the school. This represents a saving of £69,000. The extension of the Centre Academy block contract is necessary for 1 year to ensure the continued education of pupils as the DPS cannot be put in place for 16-17 academic year. Once the DPS is live Centre Academy will be invited to submit a tender for inclusion onto the DPS.

3.8 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

<b>Ref.</b>	<b>Requirement</b>	<b>Response</b>
(i)	The nature of the service.	A dynamic purchasing system for the provision of SEND placements in Independent Schools.
(ii)	The estimated value.	The estimated spend for 2015/16 in Brent for independent placements was £7.07 million (independent non maintained day and residential schools). This is funded via the high needs block of the Dedicated Schools Grant (DSG). The spend across the West London Alliance is circa £60 million (including Brent).
(iii)	The contract term.	3 years with the option to extend for up to 3 years
(iv)	The tender procedure to be adopted.	Open Procedure
v)	The procurement timetable.	<b>Dates are:</b>
		Adverts / issue invitation for inclusion onto the DPS September 2016.  Supplier Event - at the launch of the procurement.  Evaluate Initial Responses – November 2016  Seek approval from the Strategic Director of Children and Young People to appoint initial suppliers onto DPS December - 2016  DPS mobilisation period - January – March 2017  DPS becomes operational - 1 April 2017  Expressions of interest for the DPS will open to Organisation up until 12 months to the date when the DPS ceases to operate

Ref.	Requirement	Response
		<p>Once the DPS becomes operational, officers will evaluate any applications from additional organisations by assessing their returned DPS documentation within a stipulated period and admit any organisation that meets the stipulated admittance criteria unto the DPS</p>
(vi)	<p>The evaluation criteria and process.</p>	<p>The admittance criteria are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's minimum requirements in relation to Financial standing requirements, technical capacity, technical expertise and compliance with statutory requirements such as safeguarding, health and safety.</p> <p>The technical section will assess the organisations experience, knowledge and expertise on</p> <ul style="list-style-type: none"> <li>• Preparing children / young people for adulthood</li> <li>• Monitoring pupil progress and attainment against the outcome set out in the EHC plan</li> <li>• Involving children/young people, parent and carers in decision making</li> <li>• Creating a safe environment for children/ young people</li> </ul> <p>Organisations will be required to provide a price at the admittance stage to which will give a baseline of costs.</p> <p>As part of the DPS setup, officers in Brent and the WLA are working on a pricing strategy based on different options and a cost model to aid in controlling cost.</p> <p>During the call off process organisation's ability to meet the educational needs of the child / young person (based on their EHC plan) will be assessed along with organisations submitted price to deliver the individual needs of a specific child. This will enable the Council to tailor each call off to the specific need of the child / young person. Organisations will not be able to submit a price that is in excess of that provided at the admittance stage.</p>
(vii)	<p>Any business risks associated</p>	<p>No specific business risk associated with setting up the DPS.</p>



Ref.	Requirement	Response
	with entering the contract.	
(viii)	The Council's Best Value duties.	Procuring via the DPS will ensure that the council achieves best value for money
(ix)	Consideration of Public Services (Social Value) Act 2012	The DPS will enable the Council to fulfil its statutory duty to provide full time education for all children and young people between the ages of 5 and 18 requiring special educational needs and achieving the preparation for adulthood outcomes of employment, participating and living a fulfilling life in the community.
(x)	Any staffing implications, including TUPE and pensions.	See section 7 below.
(xi)	The relevant financial, legal and other considerations.	See sections 4.0 and 5.0 below.

3.9 The Cabinet is asked to approve these proposals as set out in the recommendations above and in accordance with Standing Order 89.

#### **4.0 Financial Implications**

4.1 The estimated spend for 2015/16 in Brent for independent placements was £7.07 million (independent non maintained day and residential schools) with costs met from the DSG High Needs Block. Across the West London Alliance the spend for independent placements is circa £60 million (including Brent).

4.2 There is a cost to transport to Children and Young people to and from these schools from the general fund. The School Place Strategy 2015 recommended creating additional 140 SEN places to reduce reliance on out of borough provision. Therefore, it is not envisaged that current cost will increase as a result of the DPS.

4.3 There are no costs associated in setting up a DPS. Officers in Brent and the WLA boroughs are exploring the feasibility of having a central function for evaluation and contract management. If this is agreed to go ahead there are associated operational potential costs which will to be shared between the WLA boroughs.

#### **5.0 Legal Implications**

5.1 A DPS is akin to an electronic framework agreement but unlike a framework agreement, it allows for new providers in the market to apply for admittance onto the DPS throughout the life of the system. The requirements as to the

establishment and operation of the DPS are set out in Regulation 34 of the Public Contracts Regulations 2015 (PCR 2015). The PCR 2015 details that a DPS is a completely electronic system which may be established to procure commonly used purchases generally available to the market. Officers have confirmed that the SEN Placement service meets this requirement.

- 5.2 Regulation 38 of the PCR 2015 permits contracting authorities such as the council to jointly procure services in its own right and on behalf of other named contracting authorities such as the member authorities of the WLA. It is understood that Brent will act as lead authority for the purposes of the DPS Agreement procurement.
- 5.3 The estimated value of Brent Council's proposed placements over the full term of the DPS (including the option to extend) is circa £42,000,000+ and as such, the DPS itself will be deemed a High Value Contract arrangement under the Council's Contract Standing Orders (CSOs) and Financial Regulations and thus Cabinet approval is required to approve the pre-tender considerations in **table 3.8** and is ordinarily required to appoint the initial potential providers to the DPS in accordance with CSO 88(c). However, officers are recommending Members to approve a delegation to the Strategic Director for Children and Young People to appoint the initial providers and any subsequent new providers that meet the minimum requirements onto the DPS. Thereafter, should Members be minded to approve the recommendation in this report, officers further require the Strategic Director for Children and Young People be given delegated authority to award High Value individual contracts.
- 5.4 Moreover, officers are seeking an exemption/waiver from CSOs permitting a direct award of a block contract to Centre Academy. Members have the power to approve such exemption/waiver provided there are good and/or operational reasons for doing so and such action will not place the council in breach of the PCR 2015. Education services are classed under the PCR 2015 as a Schedule 3 service and as such are not subject to the full application of the PCR 2015 provided the value of the proposed award is not in excess of the current threshold of £589,148.
- 5.5 Officers must follow regulation 54 of the PCR 2015 when inviting providers from the relevant Lot under the DPS. There is no requirement to submit any form of award notice in the OJEU following the setting up of the DPS, or when new suppliers are added to the DPS. There is however, a requirement to publish contract award notices (which must be sent to the Publications Office within 30 days of award) for specific individual contracts awarded under the DPS. However, authorities can choose to group DPS contract award notices on a quarterly basis, which must be sent within 30 days (after) the end of each quarter. Officers should also abide by the requirements for publication on Contracts Finder with regards to contracts awarded.

## **6.0 Diversity Implications**

6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

## **7.0 Staffing/Accommodation Implications (if appropriate)**

7.1 There are no direct staffing or accommodation implications for the Council.

## **8.0 Background Papers**

8.1 None.

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**Strategic Director of Children and Young People**

## Appendix 1

### 1 DPS AIMS

1.1 The aim of the DPS is -;

- To have a list of pre-qualified schools/groups of schools that can be utilised by WLA members via a single electronic brokerage system (CarePlace).
- To have common specification and T's & C's with a more streamlined contracting process across WLA boroughs.
- To consolidate and share supplier monitoring activities within a robust consistent contract management framework.
- To build choice of providers into the market to stimulate competition.
- To have an arrangement in place to provide for a range of SEN educational placements and where possible to have these placements more locally
- To enable WLA boroughs have an improved understanding of the SEN Independent non maintained special school (INMSS) market to aid in commissioning quality SEN places to achieve the best outcomes for children and young people
- To influence costs of placements in INMS schools through collaborative strength of the collective WLA spend.
- To have a transparent, reasonable and consistent pricing structure with less add-on's across WLA boroughs
- For WLA boroughs to use the understanding gained of our SEN placement needs to secure efficiencies with placements
- To ensure educational placements in INMSS are in Compliance with the Public Contract Regulations 2015 and the Children and Families Act 2014

### 2 SAVINGS

2.1 The DPS will be used by the following WLA members Barnet, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Royal Borough of Kensington & Chelsea and City of Westminster including Brent. The approximate spend on SEN placement in independent schools by these boroughs is about £60 million per annum. A saving target of 2% - 5% on current cost has been earmarked to be achieved through the use of the DPS over its duration.

## **1 DPS STRUCTURE**

1.1 The DPS will be split into 2 main lots - Residential and Day educational placements. Under each main lot will be distinct sub lots for Speech, language and Communication Needs (SLCN), Autistic Spectrum Disorder (ASD), Specific Learning Difficulty (SpLD), Moderate Learning Difficulty (MLD), Severe Learning Difficulty (SLD), Profound and Multiple Learning Difficulty (PMLD), Social, Emotional and Mental Health (SEMH), Visual Impairment (VI), Hearing Impairment (HI), Multi-Sensory Impairment (MSI) and Physical Disability (PD)

This will ensure the Council's requirements are met and organisations admitted onto the DPS are grouped according to their areas of specialist provision.

## **2 ESTABLISHING THE DPS**

2.1 The DPS will be established in accordance with EU regulations. However the procedure will be varied to ensure its flexibility of meeting the needs of the Councils, children and parent preference, as well as meeting the tendering capacity of the SEN independent market. As the services to be procured via the DPS falls under schedule 3 of the Public Contract Regulations 2015, paragraph 76 (7) allows for such variation. Establishing the DPS will encompass –

- Advertising the opportunity based on the open procedure in the Official Journal of European Union (OJEU) and other appropriate advertising medium.
- Making the DPS documentation available via the Councils (Brent) e-tendering system - London Tenders Portal. The DPS documentation will set out the criteria organisations will have to meet in order to be admitted onto the DPS.

2.2 The tendering exercise for the DPS will done via Brent's e-tendering system but any call off will be done via the WLA CarePlace system.

## **3 ADMITTING ORGANISATIONS ONTO THE DPS**

3.1 The following process below will be used to admit organisations onto the DPS-;

- Organisations will be required to submit the necessary DPS documentation electronically to demonstrate how they meet the admittance criteria.
- A panel made up of WLA representatives will evaluate the returned documents in accordance with the evaluation methodology within a stipulated period.
- On completion of the panel assessment, organisations will be notified if they have been admitted onto the DPS.

- Details of organisations admitted onto the DPS will be loaded onto Care Place. This will enable organisations to participate in future call off processes.
- DPS agreements will be sent to the admitted organisations for sign off. Given the anticipated numbers of schools (going from similar DPS arrangements put in place by other authorities) it is intended for the DPS agreements to be signed off electronically. Officers are consulting with Legal Services on the possibilities of this been done

#### **4 PROCURING EDUCATIONAL PLACEMENT VIA THE DPS**

##### 4.1 In procuring from the DPS-;

- officers may directly procure (direct award) an educational placement from an organisation -;
  - where there is only one organisation within a particular lot providing the required educational place
  - based on parental preference
  - tribunal decision
- Officers may carry out a mini competition exercise where there is more than one organisation on a particular lot providing the services required.

4.2 In any of the procuring procedures in 4.1 above, where appropriate officers may enter into negotiations with organisations to ensure they secure best value for the placement.

4.3 Once the Council has opted for an organisation following any of the procedure mentioned in 4.1 above, the Council and the organisation would enter into a placement agreement for the provision of educational services to the child / young person.

5 It is envisaged having more flexibility in the way placement are procured via the DPS will provide officers the opportunity to ensure best value and cost effectiveness.

6 The number of organisations that can be admitted on to the DPS will not be limited, but it should be noted that only organisations who can demonstrate that they can meet the Council's set selection criteria will be admitted onto the DPS. The Council would also set out the circumstances upon which an organisation will be removed from the DPS i.e. continuous poor performance

7 The Council will give any organisation the opportunity of joining the DPS until the one year from the date the DPS ceases to operate.

8 The DPS will be monitored by the Forward Planning, Performance and Partnership service within the Children & Young People's Directorate, in conjunction with the WLA.

 <p><b>Brent</b></p>	<p><b>Cabinet</b> <b>27 June 2016</b></p> <p><b>Report from the Strategic Director of Resources</b></p>
<p><b>Civic Enterprise Strategy</b></p>	

## **1.0 SUMMARY**

- 1.1 The reduction in grant funding by 2020 means that we need to maximise all possible revenue generating and cost saving opportunities. Sitting under the umbrella of Brent 2020 Civic Enterprise is a practical and tangible approach that will help to identify, evaluate, support and develop opportunities to do this.
- 1.2 Civic Enterprise has an evangelical role to promote and support development of business based skills that will create greater self-sufficiency with the objective of under pinning financially sound and sustainable council services that can benefit Brent residents in the future.
- 1.3 There are deep pockets of existing skills and experienced staff with good ideas that require commercial support and/or development to create or realise the income generating or saving potential.
- 1.4 This report sets out the Civic Enterprise strategy for achieving this commercial potential and for endorsement by Cabinet.

## **2.0 RECOMMENDATIONS**

- 2.1 Approval of the Civic Enterprise strategy which sets out the approach, the overall objectives and the timeline.

## **3.0 DETAIL**

### Background

- 3.1 Brent 2020 sets out the council's strategic vision and priorities up to 2020 which include initiatives to offset the reduction in grant funding. Civic Enterprise is one of these initiatives.

- 3.2 Civic Enterprise is organised into 5 specific work streams that will support and drive a number of identified ideas to deliver their objectives of producing either a saving or to generate income.

In addition there is a 6<sup>th</sup> work stream that supports culture change and communication. This work stream is an over-arching stream as it applies to everyone in the organisation as we educate ourselves and each other to become more enterprise aware

1. Sharing services; back office and front line
2. Traded services
3. Fees and charges
4. Debt recovery and minimisation
5. Income generation
6. Culture Change

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Savings targets have been set against key themes in the budget together with a timetable for key deliverables.
- 4.2 There may be costs associated with taking an approved idea through a number of stages from inception to a solid business case for approval. These will vary dependent upon the idea and may include; research, soft market testing, specialist support and investment costs to set up for an appropriate commercial vehicle or equipment. Each business case will include a financial model showing the forecast return on investment including costs, income and surplus to underpin each request for investment monies.
- 4.3 There will also be many ideas and opportunities that will be put in place by individual departments as part of the development of their business as usual.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 There are no legal implications arising from this report.

#### **6.0 EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 There are no equality or diversity implications arising from this report.

#### **7.0 STAFFING/ACCOMMODATION IMPLICATIONS**

- 7.1 There are no staffing or accommodation implications arising from this report.

#### **8.0 ADDITIONAL INFORMATION**

None included.



## **9.0 BACKGROUND PAPERS**

Civic Enterprise Strategy

### **Contact Officers**

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Resources

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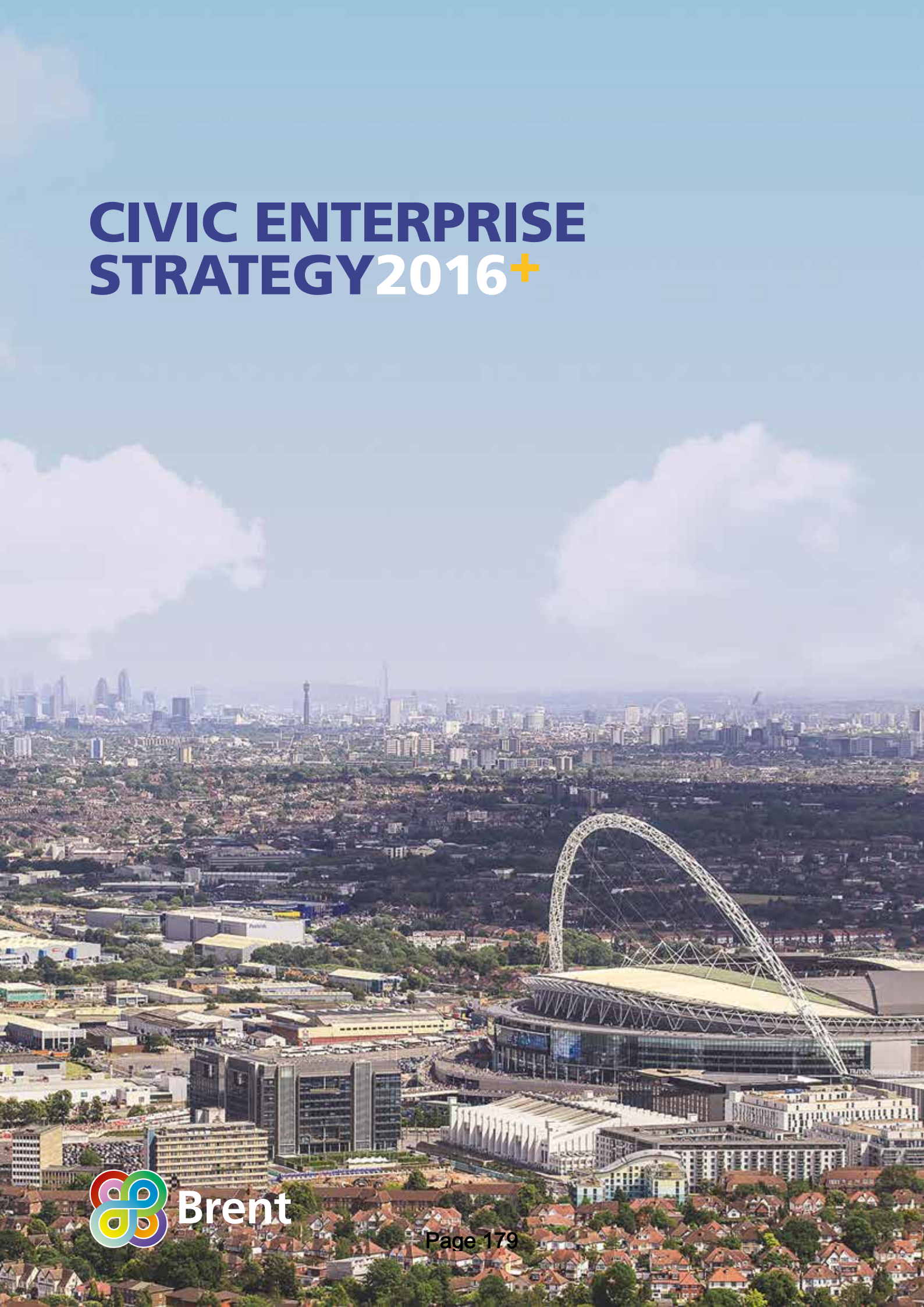
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ALTHEA LODERICK

Strategic Director of Resources

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# CIVIC ENTERPRISE STRATEGY 2016+



**Brent**



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- 1. INTRODUCTION
- 2. CIVIC ENTERPRISE OVERVIEW
- 3. KEY OPPORTUNITY AREAS
- 4. IMPLEMENTING CIVIC ENTERPRISE

# 1. INTRODUCTION



## OUR VISION

To relieve the financial stress caused by the loss of all grant funding by 2020 to create secure and sustainable services that benefit Brent residents in the future.

## OBJECTIVES

- Motivate, develop and support the organisation to create an enterprise approach to services
- Take ideas and turn them into reality to create a tangible contribution to the strategic target of £5.6m
- Create sustainable services that will last into the future.

*“Enterprise’ is a practical and positive alternative to continuing with an ‘austerity’ plan that cuts out lines of the budget. Combining the skill sets of our very capable and competent people with an entrepreneurial approach will help to make a positive contribution towards Brent 2020.”*

Brent Borough Plan 2015-2019



“Civic Enterprise is all about maximising money in and minimising money out.”

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## 2. CIVIC ENTERPRISE OVERVIEW



### THE PLAN

Between now and 2020 we expect to lose our financial grant monies of £56m, so every penny we can find will help to off set this.

Civic Enterprise will help to identify, evaluate and develop opportunities that either create an income or save us costs.

There are six work streams to drive and support this activity.

Five work streams are practical and specific plans that support and develop each idea in the right way.

The sixth work stream applies to everyone in the organisation as we educate ourselves and each other to become more enterprise aware:

1. Sharing services; back office and front line
2. Traded services
3. Fees and charges

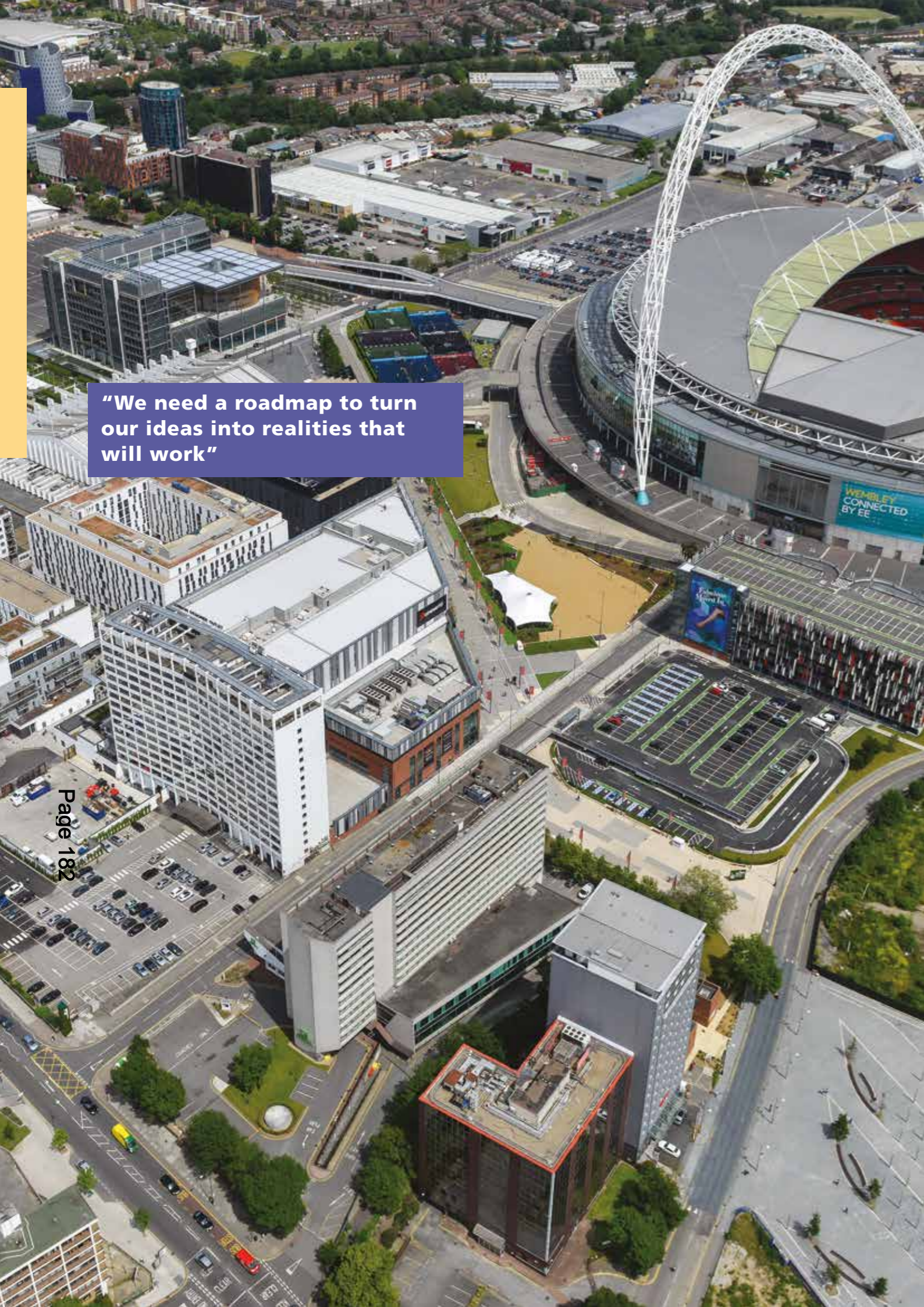
4. Debt recovery and minimisation
5. Income generation
6. Culture change

Size really doesn't matter here; sometimes the simplest ideas are the best and can be achieved relatively easily. Larger ideas may require more development effort. Both may require some funding to support the development.

Civic Enterprise will provide a practical hands on way of getting the large and significant ideas from paper to reality, as well as overseeing the smaller ideas that will be taken forward as part of business as usual.

The important part is that we maximise money in and minimise money out to prevent services from further cuts.





“We need a roadmap to turn our ideas into realities that will work”

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### 3. KEY OPPORTUNITY AREAS



#### WORK STREAMS

Once an idea is floated it will be evaluated. If it passes the evaluation the owner of the idea will work with one of the five work streams below to set out the roadmap to bring each idea to fruition.

#### 1. SHARING SERVICES

Brent already has a track record as a Shared Service provider and will continue to build on that strong foundation.

There are two types of shared service arrangement; one organisation runs the service for others or participating organisations set up a company to provide services.

A Shared Service should maintain or improve the quality of the service, increase resilience and sustainability whilst reducing the cost and increasing income.

#### 2. TRADED SERVICES

Brent has a small number of Traded Services ready to go.

Any service that can compete and sell its service in a competitive market may benefit from becoming a Traded Service. Selling to a mixed market of public and private sector a Traded Service will have a registered company, a ‘profit and loss’ approach and a pro-active sales and marketing plans to continually increase market share and income.

#### 3. FEES AND CHARGES

Traditionally, fees and charges are uplifted annually by an inflation figure.

To maximise the potential income opportunity an annual ‘business plan’ type review of the relevant market will identify the optimum pricing policy for the service offered.

Taking this approach will mean we can maximise income whilst protecting against over pricing.

#### 4. DEBT COLLECTION AND MINIMISATION

Taking an active timely approach to debt collection across our organisation will reduce the financial loss from uncollected debts closing the financial gap we are facing.

Our end-to-end view on debt recovery will ensure that initial client and customer documentation is clear in terms of their responsibility to pay for the service provided and that we handle debt recovery with appropriate sensitivity.

We need to ensure that our documentation includes the right hooks to pursue unpaid debt with ethical and efficient credit control processes leading to timely escalation to our in-house legal debt recovery team. Early intervention in recovering debts will ensure better collection and less strain on clients





### 5. INCOME GENERATION

We have a wide portfolio of assets that range from our in-house expertise to buildings, lamp-posts and land. Increasing or creating a new income from asset based services has great potential. A database of tangible and non tangible assets is being produced to use as a launch pad for this work stream.

### 6. CULTURE CHANGE

One of our biggest assets are our staff. We have a skilled and experienced workforce who deliver their services professionally and in the majority well.

Civic Enterprise will potentially require staff to embrace a different 'enterprise' way of thinking and use specific business based skill sets when they are involved in an enterprise project.

Specific culture change requirements will be identified and delivered as part of each specific civic enterprise project within the five work streams.

Culture change will support the civic enterprise initiative by communicating messages, progress and results through a number channels including yammer so that all staff are kept informed.

OPPORTUNITY AREAS – KEY DELIVERABLES	2016	2017	2018
1. Shared services	←	→	
2. Traded services	←	→	
3. Fees and charges	←		→
4. Debt collection and minimisation	←	→	
5. Income generation	←		→
6. Culture change	←		→



# 4. IMPLEMENTING CIVIC ENTERPRISE

## CIVIC ENTERPRISE HAS ALREADY STARTED.

A number of idea workshops and an Ideas Festival generating over 350+ ideas have been held with staff. These sessions have introduced Civic Enterprise and have introduced techniques to help identify innovative ideas which can be developed into robust business case proposals.

We will need to learn some new skills and techniques and much of this will require a 'cultural' shift to enable Members and staff to think more innovatively about opportunities to generate income.

Targeted support to provide specific commercial skills and expertise that can take agreed ideas forward will be available through:

### CULTURE

- Changing behaviours
- Thinking like a business owner
- Aware of costs and income streams
- Aware of the viability of the business
- Business governance and reporting

### TOOLKIT

- Templates
- Know how and research

### FINANCE

- Financial modelling

- Governance
- Funding Process

### COMPETITIVE FITNESS

- Business Case process

### GOVERNANCE

The Strategic Director for Resources chairs the Civic Enterprise Board which meets monthly.

The council needs to 'buy in' to Civic Enterprise, acknowledge and support it with commitment, funding and clear strategy and decisions.

The purpose of the Board is to ensure that the delivery of the Civic Enterprise Strategy across the Council happens urgently and to ensure that all activity is managed and co-ordinated.

To support this each of the five work streams is owned by an 'industry' expert who is also a member of the Civic Enterprise Board. The Board is supported by a blended team of internal and external resources.

The Chair of the Board is also a member of the Brent 2020 Board to ensure that all Civic Enterprise activities are aligned to those of Brent 2020




IMPLEMENTING CIVIC ENTERPRISE – KEY DELIVERABLES	2016	2017	2018
Culture	←	→	→
Ideas generation	↔		
Governance	↔		
Trading vehicles	↔		
Invest to save fund	←	→	→







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 <b>Brent</b>	<b>Cabinet</b> 27 June 2016  <b>Report from the Strategic Director, Resources</b>
Wards Affected: ALL	
<b>Indemnity for officers and Members when representing the Council on outside bodies or carrying out special roles</b>	

## 1.0 Summary

- 1.1 This report explains the Council's arrangements for the granting of indemnities to officers and Members to cover the risks of claims which may be made against them personally or other losses or liabilities they might incur when representing the Council on outside bodies or when carrying out special roles.
- 1.2 The aim for providing the indemnity is that officers and Members should not be deterred from seeking public office or participating in outside bodies or carrying out special roles by the personal liability they might incur while acting on behalf of the Council.

## 2.0 Recommendations

- 2.1 It is recommended that Cabinet approves:
- 2.1.1 the arrangements set out in this report for the granting of indemnities to officers and Members representing the Council in a decision-making capacity such as directors or trustees on the boards of outside bodies or as members of the management committees of outside bodies;
  - 2.1.2 the arrangements set out in this report for the granting of indemnities to officers and Members carrying out special roles which give rise to personal liability over and above the exercise of their other responsibilities;
  - 2.1.3 the wording of the indemnity as set out in **Appendix 1** to this report and that the Chief Finance Officer be authorised to make changes from time

to time provided they are consistent with the overall arrangements approved by Cabinet;

2.1.4 that the Chief Finance Officer be authorised to decide on a case by case basis whether it is appropriate to pay any sums upfront for the defence of criminal proceedings or await the conclusion of such proceedings before making any payment; and

2.1.5 that existing and future officer and Member appointments to outside bodies and special roles be in accordance with the arrangements set out in this report.

### **3.0 Detail**

3.1 The Council customarily nominates Members and officers to a number of outside bodies which include private companies, organisations owned by various authorities across London for example Locata, or “in-house” companies such as BHP on which Brent’s employees serve ex officio. A non-exhaustive list of outside bodies that require a Council appointment can be found at **Appendix 2**.

3.2 Council Members and officers act as directors, trustees, members of the management committees of outside bodies and/or otherwise play an active role in the affairs of the body in question, often because such bodies’ constitutions require the Council to nominate officers or Members to act in such capacities.

3.3 Those who act as directors, trustees or members of the management committee owe various statutory duties and/or fiduciary responsibilities to the outside body(ies) in question. For example, a company’s director owes a duty to the company which he/she is a director, and a trustee has the fiduciary responsibility and liability to use the trust assets according to the provisions of the trust instrument.

3.4 In certain, very limited circumstances, they may be personally liable for the debts of the bodies on which they serve, or in relation to third party claims brought against those bodies.

3.5 Many outside bodies are companies which enjoy limited liability. Generally speaking, the directors of such companies will be personally liable only in exceptional circumstances, such as for deliberate or reckless breach of trust or knowingly causing the company to act beyond its powers or to trade whilst insolvent.

3.6 Company directors, trustees or members of the management committee can generally avoid personal liability by being careful to take appropriate professional advice before making decisions and/or by hiring other people to manage some of their responsibilities on a day-to-day basis for example, an accountant may file a company tax return however, officers and Members acting as such remain legally responsible for the discharge of their duties.

- 3.7 Council Members or officers appointed to act as directors, trustees or similar positions in outside bodies are exposed to different risks arising mainly from their role and nature of the body in which they act. For example, in the case of a trust, they may be liable (without limit) if they deliberately or recklessly take actions in breach of trust or without having taken appropriate advice; or in the case of a limited company, they may be personally liable for the company's business liabilities and be fined, prosecuted or disqualified as a company director if they do not discharge their directors' responsibilities. Officers and Members are increasingly concerned about the personal liability that may be attached to them from performing their duties.
- 3.8 In addition, from time to time the Council is required to make special appointments or assign special responsibilities to officers and Members which exposes them to additional risks of personal liability under a separate statutory or regulatory regime. For example, the premises licence held by the Council authorising it to sell alcohol or provide entertainment at Brent's Civic Centre requires an individual to be appointed as the designated premises supervisor (DPS). The DPS is personally responsible for ensuring that the requirements of the licence and the Licensing Act 2005 are complied with and a failure to do so can constitute a criminal offence.
- 3.9 It is not in the Council's interests to deter potentially suitable candidates from seeking election to the Council or seeking appointment to responsible posts supported by the Council because of concerns over possible personal liabilities. This report therefore recommends that the Council confirms its established practice of giving an indemnity in respect of such risks as it lawfully may to both officers and Members, and suggests practical steps designed to minimise the potential cost to the Council of meeting claims under the proposed indemnity.
- 3.10 Although there is a statutory form of protection under Section 39 of the Local Government (Miscellaneous Provisions) Act 1976 for individual Members and officers in respect of claims from third parties for acts and omissions committed whilst a Member or Officer is conducting council business, this does not afford protection where other than Council business is being conducted.
- 3.11 In order to fill the gaps identified above, the Council effects insurance cover under a professional indemnity policy. This gives protection to both: the Council, and to individual Members and officers in respect of claims resulting from their undertaking Council business. The insurance policy also covers Members and officers specifically appointed by the Council to an outside body. There is specific statutory power to effect such insurance under the Local Authorities (Indemnities for Members and Officers) Order 2004 (the Order). However, that policy does not cover officers appointed to an outside body, and required to act independently of Brent.
- 3.12 Furthermore, notwithstanding the existence of insurance cover, where a Member or officer is sued personally in respect of a matter in which he has been involved on behalf of the Council, he or she may still need to incur expense in defending the proceedings if for example insurers decline to take over the conduct of the action because they believe it is frivolous.

3.13 The Council's indemnity is designed to avoid such problems by underwriting individual Members' and officers' potential liabilities, though only to a limited extent in relation to Members and officers serving on outside bodies.

#### **4.0 Background Information**

##### **Risk Management – Outside Bodies**

4.1 Members and officers on outside bodies cannot be guarded against third party claims in all circumstances. The Order specifically prohibits local authorities from indemnifying their Members and officers in relation to deliberate wrongdoing or recklessness, and also charities are specifically precluded from buying insurance against deliberate or reckless breaches of trust by charity trustees.

4.2 Directors, trustees or members of management committees of outside bodies can best protect themselves against the possibility of personal liability by making sure they take appropriate professional advice, and also checking that outside bodies comply with their obligations relating to health, safety and welfare at work of workers, and/or any other activities which might give rise to third party claims. For example, outside bodies which have employees need to make sure they have contracts of employment in place, guidelines for resolving employment issues and that such guidelines are adhered to.

4.3 It is proposed that appointments of Members to outside bodies will continue to be administered by Executive and Member Services and those of officers by the Chief Executive or the Strategic Directors of the departments in which they work so they can discover the legal nature of the outside organisation and any protection or insurance that it would provide to any appointee. It is recommended that in the future no appointment should be made unless the insurance arrangements have been checked with the Council's insurance managers in the case of Members by the Head of Executive and Member Services or in the case of officers by the Chief Executive or the relevant Strategic Director.

4.4 Existing appointments will only henceforth have the benefit of the Council's indemnity if the insurance and risk management arrangements have been confirmed in the case of Members by the Head of Executive and Member Services and officers by the Chief Executive or the relevant Strategic Director (in consultation with the Council's insurance managers) though they may continue until he or she has made this determination. During the period until the determination is given, the indemnity will apply although this will mean that there is an additional risk for the Council during that period. It is considered that this additional risk is acceptable given the rarity of claims against Council Members and officers at that stage.

4.5 Before any appointment is made to an outside body, the Head of Executive and Member Services (in the case of Members) or the Chief Executive or the relevant Strategic Director (in the case of officers) will check to see whether the body concerned is on the list of outside bodies which the Council's insurers accept as

being covered by the Council's insurance policies, or that the Council's insurers have agreed the body in question may be added to that list and have accepted that the duties to be discharged are covered by those insurance policies or that the outside body has its own insurance which covers the Council's appointees.

- 4.6 In the case of Members the above will be subject to the appointment having been approved and the risk/insurance management arrangements reviewed by the Head of Executive and Member Services and the Council's appointee, if a Councillor, having been advised of the position and risk and having decided whether to accept the nomination. In the case of officers the Chief Executive or the relevant Strategic Director, who approves the appointment must be satisfied that sufficient insurance cover is in place either from the Council or by the organisation concerned. In the event that no insurance cover is in place, the Chief Executive or the relevant Strategic Director will determine if the appointment should be made and whether the proposed indemnity should be provided.

### **The wording of the Council's Indemnity**

- 4.7 The proposed wording in **Appendix 1**, makes clear that:

4.7.1 the Indemnity would not apply to deliberate or reckless breaches of trust, any deliberate wrongdoing or recklessness, nor for the avoidance of doubt in respect of Members or officers serving on outside bodies in their private capacities.

4.7.2 Officers and Members serving in a fiduciary capacity on outside bodies should be covered by the indemnity.

- 4.8 The proposed wording recommends that the Council's indemnity should cover the costs in defending Members and officers against criminal and civil proceedings arising from activities carried out on behalf of the Council. However, it is subject to the officer or Member having acted honestly and in good faith and not from his/her deliberate or reckless wrongdoing.

## **5.0 Financial Implications**

- 5.1 Based on past experience, it is expected that claims against this indemnity will be rare. This combined with the changes the council is making to become more entrepreneurial make it difficult to estimate the average annual cost of the indemnity. In most years it would be hoped that the actual call on the indemnity would be nil, but it would in theory be possible for substantial claims to be made on it.

- 5.2 However, it is important to note that the granting of indemnities does not in and of itself create new risks. The indemnities envisaged in the report are for activities that council officers and Members already undertake and the council is therefore insured against many of these risks, which limit the council's possible exposure to any single insured claim to its excess (currently £0.3m). Where appropriate this risk could be

further controlled by encouraging any organisations to which Brent staff are appointed to put in place appropriate insurance.

## 6.0 Legal Implications

6.1 Section 112 of the Local Government Act 1972 enables the Council to appoint staff, and such officers "shall hold office on such reasonable terms and conditions, including conditions as to remuneration, as the authority appointing him think fit". Therefore an implicit power to indemnify or insure them as part of their terms and conditions of employment.

6.2 Prior to the enactment of the Local Government Act 2000, the powers of local authorities to indemnify Members and officers in respect of claims brought against them personally were severely limited mainly because of the case of *Burgoigne -v- London Borough of Waltham Forest*. In this case, the High Court indicated that local authorities could not indemnify Members and officers against personal liability for acts committed outside the powers of the local authorities in question.

6.3 Section 101 of the Local Government Act 2000 changed that position by conferring power on the Secretary of State to make an Order to provide authorities with the ability to indemnify their members and officers in respect of personal liabilities incurred in connection with their service on behalf of their authority. It is under this power that the Order already referred to was made.

### The Order

6.4 Article 5 is the key provision in the Order. It states that an indemnity may be provided in relation to any action, or failure to act, which is (a) authorised by the authority or (b) forms part of, or arises from, any powers conferred, or duties placed, upon a member or officer, as a consequence of any function being exercised by that member or officer (i) at the request of, or with the approval of the authority or (ii) for the purposes of the authority.

6.5 Article 5 also makes clear that an indemnity may be given whether or not, when exercising the function in question, the member or officer does so in his capacity as a member or officer of the authority. Therefore, an indemnity can apply to powers or duties being exercised by Members or officers when carrying out functions pertaining to outside bodies not connected with the Council, as long as the functions in question are being exercised at the request of, or with the approval of, the authority or for the purposes of the authority.

6.6 When a member or officer is acting in a fiduciary capacity as a member of an outside body, it is unlikely that his or her actions could be said to be undertaken at the "request" of, or for the "purposes" of the Council. However the very fact that the member or officer will have been nominated to the outside body by the Council will mean that the action or failure to act will have been done whilst exercising powers or duties as a consequence of performing a function (i.e. serving on the outside body in question) with the approval of the Council and so can be indemnified by the Council.



- 6.7 Article 6 of the Order prevents the provision of an indemnity (or securing of insurance) in relation to criminal acts, any other intentional wrongdoing, fraud, recklessness, or in relation to the bringing (but not the defence of) any action in defamation. An indemnity may, however, be provided in relation to the defence of criminal proceedings.
- 6.8 Article 7 makes clear that an indemnity can be given in relation to actions which are beyond the powers of an authority, provided that the member or officer in question believes that the action, or failure to act, is within the powers of the authority.
- 6.9 Article 8 conditions that any potential indemnity given against the costs of defending any criminal proceedings must contain provisions for the re-payment of sums expended by the authority or the insurer if the Member or officer has been convicted of a criminal offence and that conviction is not overturned following any appeal. It is recommended that the Chief Finance Officer be authorised to decide on a case by case basis whether it is appropriate to pay any sums upfront for the defence of criminal proceedings and recover the sums in the event of a conviction, or await the conclusion of such proceedings before making any payment. It is suggested that there is a need for discretion to ensure flexibility, fairness and proper expenditure of Council funds.

## **7.0 Diversity Implications**

- 7.1 There are no diversity implications arising from this report.

## **8.0 Staffing/Accommodation Implications**

- 8.1 There are no staffing or accommodation implications arising from this report.

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## Appendix 1

### INDEMNITY

1. The Council will, subject to the conditions, limitations and exceptions below, indemnify all members (which expression shall hereinafter be deemed to include co-opted members of any Council committees) or employees of the Council against any damages, costs or legal expenses which any such member or employee may be ordered to pay or may reasonably have incurred arising from activities carried out on behalf of the Council if the member or employee acted in good faith and honestly believed that the act or omission complained of was within his/her power and that his/her duty as a member or employee or (in the case of functions exercised otherwise than in the capacity of member or Council employee) performer of the function in question with the approval or at the request or for the purposes of the Council, required or entitled him/her to do or omit to do it. Such Indemnity shall apply to any liability of any member or employee as the Council's representative or nominee on an outside body and to any employee who in connection with his/her employment with the Council provides an administrative, technical, professional or other service to any person or body outside the Council.
2. For avoidance of doubt this indemnity will apply to existing and former member and employees in respect of acts and omissions whilst they were members or employees.
3. Subject as aforesaid the Council will not itself make any claim against any member or employee for any loss or damage occasioned by any neglect, act, error or omission committed by an individual arising from the pursuit of his/her duties on behalf of the Council (or on behalf of any outside body to which he or she has been appointed by or with the written approval of the Council and as representative or nominee of the Council) whilst acting within the scope of his/her authority.

#### **Conditions and Limitations:**

4. This indemnity will not extend to loss or damage directly or indirectly caused by or arising from:
  - a) Fraud, dishonesty, deliberate wrongdoing or recklessness, or any criminal offence on the part of a member or employee (except where the criminal offence is an offence under the provisions of the Health and Safety at Work Act etc 1974 or relevant statutory provisions within the meaning of that Act in which case the indemnity will continue to apply).
  - b) Any action, neglect, error or omission by an individual otherwise than in the course of his/her duty.
  - c) Activities which are ultra vires the Council, the body in question or the individual save to the extent that at the time of the activity concerned the individual bona fide and reasonably believed that the activity was intra vires.
  - d) Any activity carried out "outside" work, which is unconnected with the work of the Council.

5. Notwithstanding 4 above, the Council in its absolute discretion and subject to 6 below may decide to indemnify a member's or employee's costs of defending any criminal proceedings brought against him/her.
6. However if a member or employee is convicted of a criminal offence and that conviction is not overturned on appeal, the member or officer in question shall reimburse the Council (or the Council's insurer as the case may be) for any sums expended by the Council or the insurer in relation to those proceedings.

**Appendix 2**  
**OUTSIDE BODIES**

List of bodies that require a Council appointment to be made


<b>NAME OF OUTSIDE BODY ORGANISATION</b>
<b>Positive Ageing in London ( formerly appointed to Age UK London)</b>
<b>Agreed Syllabus Conference</b>
<b>Brent Housing Partnership (BHP) Board</b>
<b>Brent Sports Council</b>
<b>Central and North West London NHS Foundation Trust</b>
<b>Chalkhill Community Centre</b>
<b>Chalkhill Community Trust Fund</b>
<b>Edward Harvist Trust</b>
<b>Energy Solutions (North West London)</b>
<b>Greater London Enterprise Board</b>
<b>Hillside Housing Trust</b>
<b>Historic Environment Champion (English Heritage)</b>
<b>Lewisham Shared Service</b>
<b>LGADigital</b>
<b>Local Government Association General Assembly</b>
<b>Local Government Information Unit Members' Assembly</b>
<b>London Councils Greater London Employment Forum</b>
<b>London Road Safety Council</b>
<b>London Youth Games Committee</b>
<b>Museums Association</b>
<b>Partners for Brent (Local Strategic Partnership)</b>
<b>Queen's Park Joint Consultative Group</b>

Meeting  
Date

Version no.  
Date

<b>NAME OF OUTSIDE BODY ORGANISATION</b>
<b>Reserve Forces and Cadets Association for Greater London</b>
<b>Standing Advisory Council for Religious Education (SACRE)</b>
<b>Tricycle Theatre</b>
<b>Wembley Educational Foundation</b>
<b>Wembley Eleemosynary Charities</b>
<b>West London Alliance</b>
<b>West London Partnership</b>
<b>West London Waste Authority</b>
<b>Willesden Consolidated Charities</b>
<b>Old Oak and Park Royal Development Corporation (OPDC)</b>
<b>Old Oak and Park Royal Development Corporation (OPDC) Planning Committee</b>

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 <b>Brent</b>	<p style="text-align: center;"><b>Cabinet</b> <b>27 June 2016</b></p> <p style="text-align: center;"><b>Report from Director Performance, Policies and Partnerships</b></p>
<p>Wards Affected: ALL</p>	
<p><b>Shared Procurement Service – revision to participating members</b></p>	

## 1.0 Summary

- 1.1 This report seeks approval for LB Brent to join a Procurement Shared Service (PSS) that will be led by LB Harrow as set out in the Business Case at Appendix A. The principal aim of joining the PSS will be to ensure that the Council continues to receive Procurement services whilst being in a strong position to deliver the required savings of £272k from procurement in 2016/17.
- 1.2 This report is being brought to Cabinet as a result of Buckinghamshire County Council's (Bucks CC) decision to withdraw from the original proposition to create a tri-party shared service between LB Harrow, LB Brent and Bucks CC. Their decision was based on a strategic decision to pause shared service initiatives with LB Harrow, and not a reflection on the particulars of the PSS.
- 1.3 The business case for the PSS has been reworked to show the benefits of a shared service between LB Brent and LB Harrow.
- 1.4 The PSS will enable the LB Brent to deliver on five key areas:
  - contribute to the Council's savings target, in particular enabling the delivery of savings to the procurement service;
  - enable the Council to take a strategic view of procurement activity
  - provide new approaches to the delivery of Social Value benefits in Brent contracts

- enable the potential generation of additional income by selling procurement services, as opportunities to do this currently have been limited due to the size of the current team; and
  - ensure that there is resilience built into Procurement activities whilst maximising the opportunities for collaboration.
- 1.5 The arrangement will be one of a Lead Authority Model where LB Harrow is the Lead Authority. By joining this arrangement it will strengthen LB Brent's ability to deliver the savings target for the procurement service, whilst minimising any reduction of service provision. The creation of a combined shared service will also facilitate improved opportunities for income generation e.g. by selling procurement services to other public sector authorities, of which LB Brent will receive in proportion to their level of investment in the PSS. A key thrust for the PSS will be to attempt to attract other boroughs and councils to join.
- 1.6 The shared service will be created in two stages; firstly with a delegation of the procurement function from LB Brent to LB Harrow with affected staff transferring their employment from LB Brent to LB Harrow pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006, and following this the creation of an operational shared service with a new Target Operating Model.



## **2.0 Recommendations**

That Cabinet:-

- 2.1 Agrees to delegate the provision of its procurement service to the London Borough of Harrow with effect from 1<sup>st</sup> August 2016 or such other date as may reasonably be agreed with the London Borough of Harrow.
- 2.2 Agrees to enter into an Inter Authority Agreement confirming the terms of the delegation of the provision of its procurement service to the London Borough of Harrow.
- 2.3 Agrees to delegate authority to the Director Performance, Policy and Partnerships in consultation with the Chief Finance Officer and Chief Legal Officer to negotiate the precise terms of the Inter Authority Agreement for a Procurement Shared Service between the London Borough of Brent and the London Borough of Harrow as set out in the Business Case at Appendix A.
- 2.4 Note the proposed staffing arrangements including the transfer of procurement staff currently employed by the London Borough of Brent to the London Borough of Harrow as set out at paragraphs 3.6 and 3.7.

### **3.0 Detail**

- 3.1 The London Borough of Harrow (“LB Harrow”) and the London Borough of Brent (“LB Brent”) have a combined annual third party spend of over £500m. Procurement teams across these councils are providing professional procurement support to service departments whilst under downward budgetary pressures and with limited resources in terms of capacity and expertise.
- 3.2 The major benefit in joining the PSS arrangement will be that LB Brent will be in a strong position to deliver the savings required from the procurement service in 2016/17 and benefit from the opportunity to obtain far greater benefit from Social Value in its contracts by sharing best practice across the boroughs.
- 3.3 In addition, bringing the two teams together will increase the opportunities for better deals through collaborative procurements and income generation through the sale of procurement services to other London boroughs, local councils and third parties.
- 3.4 Creating a Procurement Shared Service (PSS) from the two councils will help assuage cuts to budgets and bring together best practice, knowledge, skills and resources. LB Brent has a savings target of £272k in 2016/17 and without a form of transformation LB Brent will only be able to provide a largely transactional procurement service. By joining this initiative LB Brent will be in a good position to deliver the savings target whilst also guaranteeing a level of resilience in its procurement activities.
- 3.5 By becoming one of the founder organisations LB Brent will avoid having to reduce the current procurement service from a team of 11 to a team of 6, with 5 staff being forced to take redundancy. This reduction would mean that LB Brent’s ability to provide procurement services would be significantly impacted. However by entering into the Shared Service arrangement, the impact of the reductions will be mitigated allowing LB Brent to continue to receive a good level of procurement support.
- 3.6 Individually the 2 councils have high procurement expenditure for the purchase of most goods, works and services but collectively they will become a significant customer for a number of areas of major spend. The aggregated spend on specific categories will open up greater opportunity to deliver savings, value for money and social value for the councils by increasing the attractiveness of the councils to third parties.
- 3.7 Additionally there will be an increase in the skills and resources available for Procurement activities which will improve resilience and

give staff more opportunities to progress their careers. Other benefits include the opportunity to implement standardised, best practice systems and processes. In addition it will provide a platform to do work for other agencies and give greater influence to deliver collective aspirations with regard to SME engagement, apprenticeships and social value.

- 3.8 There will be a two stage process to creating the PSS. The first stage will be to create an amalgamated procurement service, with staff from LB Brent transferring to the employment of LB Harrow pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). During this first stage, staff will be able to remain based at their current locations.
- 3.9 Once staff have been transferred there will be a review of the service and decisions made on whether it is fit for purpose or whether further transformation is required, providing that there are economical, technological or organisational reasons for any reorganisation. Any change will be consulted upon and new posts will be filled through a process of interview and selection that will involve both councils.
- 3.10 The recommendation from this paper is to create a shared service, whereby LB Brent formerly delegate its procurement activity to LB Harrow, and LB Harrow provides the service from a PSS.
- 3.11 Staff working in the PSS would be employed by LB Harrow but would be made available by LB Harrow to LB Brent in accordance with the provisions of the Inter Authority Agreement.
- 3.12 The aspiration for the PSS is to be able to provide Procurement services to the founding partners at no cost within 5 years. This would be achieved through increasing the income generated by the PSS and by attracting further organisations to join the PSS.

### **Governance**

- 3.13 The PSS will be managed by the Head of Procurement (who is Divisional Director of Commercial, Contracts and Procurement in Harrow). That post will be responsible for the day to day running of the shared service and will report into a Shared Services Management Board (SSMB) on a quarterly basis. The SSMB will consist of the LB Harrow's Director of Resources and Commercial and the LB Brent's Director of Performance, Policy and Partnerships. The main areas that this group will discuss will be the Inter Authority Agreement (which will include an SLA setting out key deliverables), performance, key procurement activities and the costs of the shared service.

- 3.14 The Head of Procurement will produce an annual Procurement Report and present this to a Shared Services Steering Group which consists of the relevant Portfolio Holders/Members from each council. This body will also be responsible for agreeing any changes in the proportion of cost allocation as well as considering applications from other organisations to join the PSS.
- 3.15 On an ongoing basis PSS staff will attend relevant meetings with Services/Business Units and sit on the relevant individual procurement and programme Boards, as they currently do.

## 4.0 Financial Implications

4.1 Financial implications arise out of the following key points:

- a) The initial PSS budget has been taken from the two Councils' existing budgets, after allowing for the savings targets that LB Brent and the LB Harrow have for the next two years (2016/17 and 2017/18).

	<b>2015/16 Budget £</b>	<b>Savings Required<sup>1</sup> £</b>	<b>Amount Available £</b>
Harrow <sup>2</sup>	876,990	290,000	586,990
Brent	813,176	272,000	541,176
<b>Total</b>	<b>£1,690,166</b>	<b>£562,000</b>	<b>£1,128,166</b>

- b) It is proposed that costs will be shared between the two partners in the same proportion as the budgets that they have provided at the onset of the shared service.

<b>Council</b>	<b>Original Budget £'000s</b>	<b>Allocation Proportion<sup>3</sup></b>
<b>LB Harrow</b>	587	0.5203
<b>LB Brent</b>	541	0.4797
<b>Totals</b>	<b>£1,128</b>	<b>1.0000</b>

- c) The three year forecast for the PSS shows a slight increase in costs, due entirely to an assumption around a pay settlement of 1%.

<sup>1</sup> Savings required in 2016/17 and 2017/18

<sup>2</sup> Harrow budget is 2015/16 adjusted for 2016/17 salary increase

<sup>3</sup> Proportions based on a %age of the Total Original Budget and rounded to 4 decimal places

<b>C&amp;P Shared Service Summary</b>				
	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Annual</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>Uplift</b>
<b>Contributions:</b>				
Brent	540.868	545.839	550.861	0%
Harrow	586.644	592.037	597.484	
<b>Total Contributions</b>	<b>1,127.512</b>	<b>1,137.876</b>	<b>1,148.344</b>	
Salary Costs	1,036.432	1,046.796	1,057.264	1%
Other Staffing Costs	15.000	15.000	15.000	0%
Other Procurement Related Costs	76.080	76.080	76.080	0%
Overhead Contribution	-	-	-	
<b>Total Costs</b>	<b>1,127.512</b>	<b>1,137.876</b>	<b>1,148.344</b>	
<b>Surplus / (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

d) Details of the costs are shown below.

<b>Annual Costs</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Salary costs	1,036,432	1,046,796	1,057,264
Other staffing costs <sup>4</sup>	15,000	15,000	15,000
Other procurement related costs	76,080	76,080	76,080
<b>Total Cost of Shared Service</b>	<b>£1,127,512</b>	<b>£1,137,876</b>	<b>£1,148,344</b>

Assumptions behind the figures outlined above include:

- i. Each year above has been considered as a full year.
- ii. The salary costs relate to a full year of the new TOM.
- iii. An uplift in salary costs of 1% has been added to subsequent years.
- iv. An uplift in overhead contribution of 1% has been added to subsequent years.

e) First Year Operational Considerations:

- i. Whilst the amalgamation of the two teams is intended to take place there are considerations that need to be taken into account during the first year of operations. Firstly the shared service operating model will not be in place until 1 November

<sup>4</sup> Travel, training and telecommunications

2016 at the earliest. This will mean that the merged team will be operating at the current cost until the new model is fully staffed. In effect this would mean an increase of approximately £264,713 in operational costs for the first three months. The impact of this on each council is shown in the next table.

<b>Council</b>	<b>Original Budget</b>	<b>PSS Contribution</b>	<b>Saving</b>	<b>7 Months Current Cost</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Harrow</b>	876,990	586,990	290,000 <sup>5</sup>	169,167
<b>Brent</b>	813,176	541,176	272,000 <sup>6</sup>	158,667
<b>Total</b>	<b>£1,690,166</b>	<b>£1,128,166</b>	<b>£453,793</b>	<b>£327,834</b>

- ii. There is the possibility of additional year one costs should any redundancies be made. These will be effective at some point during the 2016/17 financial year and may include notice periods of up to 12 weeks. No impact of this has been taken into account due to not knowing the impact of vacant posts, difficulty in determining likely notice periods and redundancy terms but the method of apportionment will be agreed by all parties. The intention is to minimise redundancies due to the current level of vacant posts in all organisations.
- iii. It is also possible that individuals may take roles that are below their current salary or grade. In these cases the individuals would be entitled to continue for a period<sup>7</sup> on current salaries which would reduce the saving potential until they move onto the new pay grade.
- iv. The treatment of set up costs that will be incurred through the creation of the new shared service will need to be agreed as a first year cost that the partners will share. These include one-off ICT costs, HR advisory costs and legal advice on the creation of Inter Authority Agreements.
- v. In the case of all these costs, these will be subject to discussions and agreement between the two parties as part of the Inter Authority Agreement that will need to be in place.

<sup>5</sup> Savings relate to 2016/17 and 2017/18

<sup>7</sup> This period will vary between councils, and it is possible that a reduced difference is also required for the second year

- vi. With an efficiency savings target of £272k for 2016/17, the PSS model is financially beneficial to the council and will enable the service to deliver the savings and keep within budget. This is in addition to other future benefits including Economies of scale, system synergy and ability of the PSS to attract good quality staff.

## **5.0 Legal Implications**

- 5.1 Section 9EA of the Local Government Act 2000 and regulation 5(2)(a) of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 enables Cabinet to delegate the discharge of one of its executive functions to another authority.
- 5.2 Procurement services are by default an executive function and the Council's executive arrangements (as recorded in the Constitution) allow the Cabinet to delegate executive functions to another local authority.
- 5.3 It should be noted that the arrangements proposed are not intended to amount to a procurement of services which would fall within the scope of the EU Procurement Rules. Instead, LB Brent is delegating its procurement service function to the LB Harrow and it is the LB Harrow exercising the function on behalf of LB Brent, rather than agreeing some form of contractual arrangements, similar to those which would pertain with an external provider of procurement services.
- 5.4 Given the proposed delegation, the parties will need to enter into an inter authority agreement to record the terms of such delegation e.g. the sharing of costs, governance arrangements and the other practical issues. The detail of such arrangements is subject to further negotiation.
- 5.5 Given the proposal to delegate the procurement service function, LB Brent will suffer a loss of direct control over the delivery of the procurement service and the management of staff. It will therefore be essential for the inter authority agreement to set out detailed arrangements with regard to matters such as governance, service delivery requirements, contributions and exit provisions.
- 5.6 TUPE will apply where there is a service provision change, namely where "activities cease to be carried out by a person on his own behalf and are carried out instead by another person on the client's behalf". Given the proposed delegation of the procurement service function to LB Harrow, it is considered that LB Brent's procurement staff will be transferred to LB Harrow pursuant to TUPE. Where there is a potential TUPE situation, there are positive duties to inform and consult with staff



on various matters that have to be observed as a matter of law. Failure to observe such matters could result in litigation and the potential for compensation to be awarded.

- 5.7 Staff transferred to LB Harrow will be made available to LB Brent under section of the 113 Local Government Act 1972 which will enable each council to delegate decisions to them etc. as if they were their own staff.

## **6.0 Diversity Implications**

- 6.1 Officers do not consider that there are any direct Diversity implications arising from this report. An Equalities Impact Assessment Screening has been completed and this is attached at Appendix B for information.

## **7.0 Staffing/Accommodation Implications**

- 7.1 Should the PSS gain approval to proceed, the proposal is for LB Brent staff to TUPE transfer to LB Harrow with effect from 1 August 2016 at the earliest. It is anticipated that the maximum number of staff that will transfer will be 5 posts. The intention is that the majority of staff will continue working from their current locations in LB Brent.

- 7.2 The effect of TUPE is that all relevant staff transfer to the new employer on the same terms and conditions as they are employed on at LB Brent. Changes made because of the transfer itself are void even if the Employee agrees to the change, unless it is for an economic, technical or organisational reason entailing changes to the workforce. Given that the first phase of this proposal simply transfers the employees to the shared service without making any change to the terms of employment, compliance with TUPE should be straightforward.

## **8.0 Public Services (Social Value) Act 2012**

- 8.1 There are no direct implications for Social Value from this report; however the sharing of best practice across the 2 councils will provide improved outcomes for Social Value in contracts.

## **9.0 Background Papers**

None

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**Appendix A**

**BUSINESS CASE  
FOR A PROCUREMENT SHARED SERVICE  
WITH LB HARROW AND LB BRENT COUNCILS**

**Version Control**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Comments</b>
0.1	24/05/2016	Rob Bonneywell	First draft (edited from original 3 Council business case)
0.2	02/06/2016	Rob Bonneywell	Updated for Harrow 2016/17 budget and average salary bands for posts

**BUSINESS CASE**  
**FOR A PROCUREMENT SHARED SERVICE**

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## 1. Executive Summary

- 1.1. Harrow and Brent Councils have a combined annual third party spend of over £500m. Commercial and Procurement teams across these councils are providing professional commercial and procurement support to service departments whilst under downward budgetary pressures and with limited resources in terms of capacity and expertise.
- 1.2. Creating a Procurement Shared Service (PSS) from the two councils will help assuage cuts to budgets and bring together best practices, knowledge, skills and resources. Its creation will enable Harrow Council to achieve savings of £290k and Brent Council to achieve savings of £270k.
- 1.3. If councils do not take action now, the impact would be that both councils will have to make cuts over the next three years of over 50%. This would seriously jeopardise the ability to provide even a basic transactional procurement service to those councils, and mean that any commercialisation or civic enterprise activity would be severely limited.
- 1.4. Individually the Councils have very high procurement expenditure for the purchase of most goods, works and services but collectively they will become a significant customer for a number of areas of major spend. The aggregated spend on specific categories will open up greater opportunity to deliver savings, value for money and social value for the councils whilst making it much more interesting for suppliers to work with the councils.
- 1.5. The main benefits of the PSS will be significant savings in terms of budgeted spend alongside an increase in the skills and resources available for Commercial and Procurement activity in both councils, improving resilience and giving staff more opportunities to progress their careers. Other benefits include the ability to identify collaborative procurement opportunities and implementing standardised, best practice systems and processes. It is estimated that the value of this could amount to 1% of 3<sup>rd</sup> party spend (approximately £5m) once the PSS has worked with Services to identify opportunity areas where procurement activity can be shared. It should be noted that this benefit will be realised by the commissioning services and not as a direct benefit for the PSS.
- 1.6. In addition it will provide a platform to do work for other councils and give greater influence to deliver collective aspirations with regard to SME engagement, apprenticeships and social value.
- 1.7. There will be a two stage process to creating the PSS. The first stage will be to create an amalgamated procurement service, with staff from Brent TUPE transferring into Harrow Council.
- 1.8. The second stage of the transformation will see the creation of a new PSS through a process of interview and selection, providing that there are economical, technological or organisational reasons for a reorganisation. The selection process will follow Harrow processes and will be run jointly. The main features of the new

service will be senior staff that will be peripatetic supported by small teams that will be based on site with each Council.

- 1.9. The recommendation from this paper is to create a shared service, whereby LB Brent formerly delegates their procurement activity to LB Harrow, and LB Harrow provides the service from a Procurement Shared Service (PSS).
- 1.10. Staff working in the PSS would be employed by LB Harrow, meaning impacted staff from LB Brent would TUPE transfer to LB Harrow.
- 1.11. The aspiration for the PSS is to be able to provide Commercialisation, Civic Enterprise and Procurement services to the founding partners at no cost within 5 years.

## 2. Introduction

- 2.1. This paper sets out proposals for the creation of a shared Commercial and Procurement Service for LB Brent and LB Harrow. The foundation for this was made following a decision in 2013 by Harrow Council to invest in its procurement service in the short term to create a centralised service with the aim of improving its capabilities and opportunities to collaborate. It is envisaged that this would have a number of benefits, including opportunities to save on the overall staffing costs for both Councils, the creation of joint contracting to enable improved cost and quality outcomes and enable a platform that can be used to attract other boroughs or councils to join in a broader collaboration.
- 2.2. There is a risk that the reductions being proposed to the procurement teams in each council will result in the sets of teams having a very limited capability only to support the commercial and procurement requirements of all Councils. The key risk is that the staff remaining will be unable to be proactive in taking the procurement function of each Council forward and will adopt more of a 'policing' role i.e. to ensure that each Council is adhering to the Public Procurement Regulations rather than a positive role.
- 2.3. Brent and Harrow Councils are in the process of implementing savings reductions in their Procurement Teams. Brent needs to implement savings in the order of 40% in 2016/2017 whilst Harrow has to deliver savings of 54% on its procurement staffing costs on a phased basis leading up to 2018/19.
- 2.4. This paper considers whether there would be advantages from amalgamating the procurement teams into a consolidated Commercial Shared Service Team to enable the quality of service notwithstanding the reductions being made to be maintained and, in some cases, enhanced.
- 2.5. The basis for investigating the potential for joining the two procurement teams and the implementation of a shared service are given in section 5.2 where the rationale for change is outlined for each council. Critical mass in existing procurement teams is being eroded due to staff cuts and the inability to fill vacant posts. Further cuts will exacerbate this situation.
- 2.6. It should be made clear that the proposed target operating model outlined in section 6.1 will only be consulted on, and possibly implemented, after an assessment of the operations of the combined procurement teams has been performed, and only if there are economic, technological or organisational reasons for it.

### 3. The Vision for Sharing Procurement Services

3.1. The current local government environment is one of being under pressure to constantly reduce costs under the austerity measures introduced by central government. However after years of cutting budgets and looking at efficiencies local councils are now looking at alternative delivery models in order to avoid 'salami slicing' to unsustainable levels.

3.2. The procurement services of Brent and Harrow need to achieve further savings and as a result will continue to have to contract in size to the point that there is a risk that only reactive to transactional work will be possible. In order to avoid this position the two councils are looking to join up their Procurement and Commercialisation activities into one, shared service.

3.3. The rationale for looking at a shared solution are numerous and included below:

- Both councils are struggling to attract high quality procurement and commercial staff with the right skills and knowledge;
- This situation will be compounded by planned procurement staffing reductions over next few years;
- After the latest round of cuts both councils will lack critical mass to provide any procurement activity except for tactical and transactional activity;
- A shared service will enable a staffing structure that can meet the strategic, commercial and procurement needs of each council within revised staffing budgets;
- A revised structure would enable systems, tools and processes to be joined up and standardised and a 'best of breed' approach to be taken;
- A shared service will improve resilience and provide economies of scale; and
- Critically, joining up the procurement functions offers the opportunity to explore meaningful collaborative procurements with the aim of achieving significant savings for each council.

3.4. A key aspiration for the shared services is the opportunity to grow the service by bringing other organisations on board. The mechanics/specifics of how this will work in practice are still to be agreed and may vary between organisations, but will need partner agreement. It is proposed that future organisations will be on-boarded at their own cost or through provision of savings to the founder organisations.

3.5. In joint discussions with the boroughs it has been agreed that the vision for the new Procurement Shared Service will be to:

- Provide a commercial and procurement service that meets the needs of its customers;
- Strategically align itself with the needs of its customers;
- Attract top quality staff and provide opportunities for staff to grow and develop;
- Implement best practice systems, processes and procedures;
- Provide Commercial Services either in a leading or a supporting capacity; and
- Act consistently across all participating organisations.



## 4. Current Procurement Services and the Shared Service Proposition

4.1. The two councils included within this business case have slightly differing needs and their teams are at different stages of development.

4.2. The current Commercial and Procurement scope that has been considered as part of this business case is outlined in the following table.

Current Service	Harrow	Brent
1. <b>Strategy development</b>	Procurement team prepares the strategy	The Procurement team prepares the strategy
2. <b>Procurement Legislation</b>	Procurement lead this activity	Procurement lead this activity
3. <b>Service Legislation, Regulatory &amp; Policy Environment</b>	This is jointly performed but owned by services	This is jointly performed but owned by services
4. <b>Needs Analysis &amp; Business Requirements</b>	This is jointly performed but owned by services	This is owned by commissioning
5. <b>Spend analysis</b>	Procurement lead this activity	Procurement lead this activity
6. <b>Market &amp; Supplier Analysis</b>	This is jointly performed but owned by procurement	This is jointly performed in conjunction with commissioning
7. <b>Gap Analysis</b>	This is jointly performed but owned by procurement	This is owned by commissioning
8. <b>Risk Analysis</b>	This is jointly performed but owned by procurement	This is jointly performed but owned by commissioning
9. <b>Resource Analysis</b>	This is jointly performed but owned by procurement	Owned by commissioning
10. <b>Category Strategy and Plan</b>	This is led by Procurement	This is led by Procurement
11. <b>Service Design / Specification</b>	This is led by services with input from procurement	This is led by services with input from procurement
12. <b>Final Options Appraisal &amp; Business Case</b>	This is led by services with input from Procurement	This is led by services with input from procurement
13. <b>Procurement (sub-category) Strategy Plan</b>	Procurement lead this activity with support from Services	Procurement lead this activity with support from Services
14. <b>Tender Documentation Preparation</b>	Procurement lead this activity with support from Services <sup>1</sup>	Shared between Procurement and Services dependent on who is the

<sup>1</sup> Procurement lead on complex and/or high risk and/or high value procurements (above £100k)

Current Service	Harrow	Brent
		Project Lead
15. Tendering	Procurement lead this activity with support from Services <sup>2</sup>	Shared between Procurement and Services dependent on who is the Project Lead
16. Transition & Contract Implementation	This is led by services with input from procurement	This is led by services with input from procurement
17. Operational Supplier Management	This is led by services	This is led by services
18. Contract Management (Performance)	This is led by services with input from procurement	This is led by services with input from procurement
19. Supplier Development	Procurement lead this activity with support from Services	Business Units lead on this activity.
20. Category Review	Procurement lead this activity with support from Services	Procurement lead this activity with support from Services
21. Contract Review	This is performed jointly	Contract Managers lead, supported by Procurement
22. Service Needs & Business Requirements Review	This is performed jointly	Commissioning activity.

#### 4.3. Baseline Costs

For the purposes of preparing this business case the baseline used is the controllable 2014/15 budgeted spend for each procurement team.

2015/16 Budget	Harrow <sup>3</sup> £	Brent £	Total £
Salary costs	827,233	757,159	1,584,392
Other procurement related costs <sup>4</sup>	49,757	56,017	105,774
<b>Total Costs</b>	<b>876,990</b>	<b>813,176</b>	<b>£1,690,166</b>

#### 4.4. Baseline Staffing

<sup>2</sup> Procurement lead on complex and/or high risk and/or high value procurements (above £100k)

<sup>3</sup> Harrow budget is 2016/17

<sup>4</sup> Procurement specific IT systems, & Travel costs

The baseline used for staffing is taken from the 2015/16 budgets in order for it to be aligned to the financial baseline. For details of the current procurement structures please see Appendices 1, 2 and 3.

2015/16 Staffing	Harrow	Brent	Total
Posts	14	11	25
Full Time Equivalents	14	11	25

4.5. The current staffing fte analysis for each organisation is outlined in the following table, along with an indication of the possible future PSS staffing.

Post	Current Total	Harrow	Brent	Future PSS
Divisional Director <sup>5</sup>	1	1		1
Head of Commercial & Procurement <sup>6</sup>	0		0	
Head of Procurement Services	0			1
Head of Procurement Services - Commercial				1
Commercial Business Partner	2	2		
Procurement Manager	1		1	
Commercial Business Specialist	3	3		4
Senior Category Manager	5		5	
Commercial Business Managers	5	5		5
Procurement Officer	2		2	
Commercial Analyst				1
Systems, Processes & Tools Manager	0			1
Procurement & Systems Manager	1		1	
Commercial Officer Systems	1	1		2
Commercial Coordinator	1	1		
iProcurement Analyst	2		2	
Commercial Apprentice	1	1		1
<b>TOTALS</b>	<b>25</b>	<b>14</b>	<b>11</b>	<b>17</b>

4.6. The Procurement Shared Service proposition is based around a team of procurement experts that will:

- Support the delivery of financial savings and non-financial efficiencies from contracted services both through competitive procurement and supplier negotiations;

<sup>5</sup> Post shared with Brent and included in Harrow staffing to avoid double counting

<sup>6</sup> Post shared with Harrow, and included in Harrow staffing to avoid double counting

- Deliver value and innovation through leading a programme of procurement across the shared service;
- Use category management techniques and spend analytic tools to enable smarter and where appropriate collaborative procurement;
- Analyse and provide sector specific market intelligence to commissioning experts to inform decision making to allow for market making and market shaping;
- Develop a set of contract standing orders for the shared services that is generic where it is able to be whilst recognising the respective Councils making up the shared service will have specifics that they will wish to maintain;
- Develop procurement processes that are generic and support the lean delivery of projects whilst at the same time ensure good governance and probity;
- Manage procurement boards across clients to ensure adequate officer scrutiny is given to decisions to commence procurement and award contracts;
- Manage and record procurement risk at a corporate level and also at procurement project level;
- Offer training and development in commercial and procurement to services;
- Where possible and cost-effective the offer is developed to suit each shared services organisation; and
- Support the delivery of strategic contract management and Supplier Relationship Management.

4.7. The PSS will aim to provide some or all of the activities described below (see section 6.6 for proposed split of activities).

- Commercialisation & Procurement Strategies

The development of strategies will be the responsibility of the PSS. However they will need to be tailored to the needs of each of the participating councils.

- Achieving savings

The PSS will assist the participating organisations to achieve savings through collaborative procurement, sharing best procurement practice and ensuring efficiencies are implemented in procurement processes and systems. It will also assist the councils to achieve revenue generation through commercialisation activities.

- Category management

Category management is a strategic process-based approach that focuses on the vast majority of a council's spend on goods and services with third-party suppliers.

It will be used by the PSS to structure the new organisation and as a basis for providing future services.

- Market management

The activities that will be undertaken typically include researching and analysing the market as a whole to gain an understanding of who are the key players in the market, their relative strengths, which councils are using them and how important each council is to a particular supplier. This work will assist with the development of strategic procurement options and can be added to business cases. In the main the PSS will provide advice and guidance on markets to clients.

- Needs analysis

The first step in any procurement process is to identify and fully define the need in relation to the activity. This is predominantly performed by services, and the PSS will provide advice and guidance should it be required.

- Specification development

The specification is developed to define the business requirements clearly and communicate these to suppliers effectively to facilitate the evaluation of goods, services and works against the agreed specification. The PSS will provide advice and guidance but the ownership of the specification will continue to be with the service.

- Drafting of tender documentation

A standard set of tender documentation will be available for all clients and services. It will be developed and maintained by the PSS team, and services will be made aware of how to access it through a central document repository.

- Tendering

For high value (above a value to be determined) and/or high risk procurements the PSS will provide a project manager to manage the tender. For smaller value or less complex tenders the PSS will provide an oversight and advisory service as well as any template documentation that is required.

- Negotiation

Negotiation is defined as a process of "communication with the objective of reaching an agreement by means, where appropriate, of compromise". A successful negotiation is one that accomplishes this goal and that secures supplies, materials and services of the right quality, in the right quantity, at the right time, from the right source and at the right cost. The PSS will provide an oversight and advisory service unless clients require a more involved service at cost.

- Commercial and procurement advice and support

The PSS will be available to provide advice and support locally initially through the use of local Commercial Business Officers. More complex requests will be passed to the relevant Commercial Business Specialists.

- Contract Management

Once a contract has been awarded and a new service procured, contract management falls under business as usual. However this activity varies across different clients and services and good contract management depends upon the commissioner or actual contract manager. The PSS will implement an improved process for contract management across all clients.

- Support new business models/opportunities

As part of the PSS, Commercialisation will form a key part of the service moving forward. The team will assist services in identifying opportunities, advise on possible corporate structures as required and lead on the creation of companies.

- Ensuring compliance to legislation and council policies

The PSS will ensure that EU legislation will be complied with and that council policies will be applied.

- Commercialisation or Civic Enterprise

The PSS will have the capacity to explore commercialisation opportunities in each council. This will also enable sharing of different council approaches to commercialisation and by combining teams will enable the possibility of maximising opportunities.

- Social Value

The Public Services (Social Value) Act 2012 requires public authorities to pursue community benefits with regard to economic, social and environmental well-being as part of their procurement of public services contracts. The coming together of the two organisations will allow for social value to be embedded into the procurement process consistently to drive an increase in community benefit realisation through collaborative procurement and the required lotting of requirements.

- Governance

Governance is the process to manage procurement activity and report on performance of the PSS. It will include the use of Gateways and Procurement Boards. Initially the governance arrangements will be specific to each Council with the aim of standardising them over time.

- Systems

Systems covers all IT systems and these could include bespoke or off the shelf solutions. Whilst it is possible that some systems will be common between Councils

(such as the Due North e-tendering solution), in the short term it will not be possible to integrate or standardise them. The longer term aim will be to standardise systems and processes across the PSS. ERP systems will remain outside the scope of the PSS, but links and the way the systems are used will be reviewed once the shared service is operational.

## 5. The Options for Delivery

5.1. This section outlines the various options for how commercial and procurement services can be provided to the two councils in a cost efficient and effective way. The three main options considered were joint working, to share services and outsourcing. These were all compared to the option of ‘doing nothing’.

5.2. The first option considered for each organisation was a baseline option to ‘Do Nothing’. The following table outlines the current service and why doing nothing is not an option.

Council	Features of Current Service	Implications of doing nothing
<b>Harrow</b>	<ul style="list-style-type: none"> <li>Built around Category Management</li> <li>Advisory for small procurements</li> <li>Advisory for medium sized unless higher risk</li> <li>PM for high value (£500k) or high risk procurements</li> <li>Procurement officers support all areas</li> <li>Single role for systems</li> <li>Knowledge of procurement and buy-in varies across services</li> <li>Improved stakeholder relationships in all directorates</li> <li>Category plans are used</li> <li>Categories being aligned with Brent</li> <li>Starting to sell services to other organisations (e.g. WLWA, LGA)</li> </ul>	<ul style="list-style-type: none"> <li>Inability to make significant cost savings over the next two years, without destroying service</li> <li>Continued difficulty to recruit to vacant positions</li> <li>Limited resilience built in to local solutions, and further cuts weaken this further</li> <li>Limited career progression</li> <li>Limited training opportunity or skills development</li> <li>Further move towards transactional, and away from strategic, procurement</li> <li>Difficulty in assisting services to make their savings targets</li> <li>Limited ability to collaborate on procurement opportunities</li> <li>Inability to fund commercialisation activities</li> </ul>
<b>Brent</b>	<ul style="list-style-type: none"> <li>5 Senior Category Managers, loosely aligned to directorates</li> <li>Small pool of procurement officers support all areas</li> <li>Different categories have different approach to service, from hands-on approach to lighter touch</li> <li>Categories being aligned with Harrow</li> <li>Director of Procurement now being shared with Harrow</li> <li>Category plans being implemented currently</li> </ul>	<ul style="list-style-type: none"> <li>Inability to make significant cost savings over the next two years, without destroying service</li> <li>Continued difficulty to recruit to vacant positions</li> <li>Limited resilience built in to local solutions, and further cuts weaken this further</li> <li>Difficulty in assisting services in making their savings targets.</li> <li>Further move towards transactional, and away from strategic, procurement</li> <li>Limited career progression</li> <li>Limited training opportunity or skills development</li> <li>Limited ability to collaborate on procurement opportunities</li> </ul>



5.3. To summarise the above Brent and Harrow have significant budgetary pressures that mean the current models will not be viable in the future, with the levels of savings required. It is for these reasons that the option to ‘Do Nothing’ or continue operating as today, is not a viable solution.

#### 5.4. Future Delivery Options

5.5. In determining the options for delivery of a shared service for Commercial and Procurement activities research was undertaken of models that have been implemented elsewhere in the public sector arena. The Institute for Public Finance (IPF) have produced a paper<sup>7</sup> that details the various options available for a public sector shared service. In general the options can be split into three categories, characterised by different relationships between the partnering organisations.

5.6. The three main options (after excluding the ‘do nothing’ option) are:

- **Joint working:** in which participants try to consolidate functions within existing institutions – the least sophisticated of the three options. This often begins by merging internal services into a single unit, but can be extended to apply across organisations. However, each partner acts independently and retains responsibility for the service in-house. For example, several local authorities might collaborate on commodities procurement and agree to negotiate jointly with suppliers, but they each continue to employ and manage their own purchasing staff. This could also be the sharing of a particular post across two organisations, such as sharing the Head of Commercial and Procurement across Brent and Harrow.

Joint working is an ad-hoc sharing of learning and agreements to co-ordinate action. Whilst it can be formal or informal, it is more likely to be small scale agreements, such as sharing a post. It can provide access to extra skills and resources and will be a relatively cheap and less disruptive option. As in sharing a post it will be a good way to develop trust between organisations and will be relatively cheap, as there will be no procurement costs. However it will be difficult to change or streamline processes and sustaining significant change will be difficult. It would not resolve resilience issues nor fill gaps in resourcing. Progress will be difficult to sustain without further integration.

- **Shared Services**, in which one organisation (private or public sector) assumes responsibility for running services for others. Insourcing, outsourcing and PFI initiatives also fit into this category.

A shared service in this instance is where one public sector organisation provides services to one or more other organisations. It would mean that the lead authority would be the service provider and other organisations would delegate their service delivery to that lead organisation. This would have the benefits of increasing the size

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<sup>7</sup> IPF Occasional Paper, Shared Services: The Opportunities and Issues for Public Sector Organisations, Richard Whiter

of the team, pooling skills and resources, enabling greater resilience and the ability to achieve economies of scale. As a delegation to another public sector organisation there would be no requirement to undertake an expensive and lengthy procurement exercise. The drawbacks include possible political issues about governance and control of the shared service, opposition from staff, especially around potential relocation and a risk that weaker clients may require proportionately more input than more established ones. A significant consideration would be the choice of an appropriate employment model that minimises management, pay and reporting complications.

- **Outsourcing**, in which participating bodies decide to establish, or use another, organisation to deliver services for them at arms-length. This would require a procurement exercise.

For the purposes of the Procurement Shared Service there was no appetite to create an arms-length organisation to deliver the service due to the complexity in procedural terms of establishing a special purpose vehicle or other local authority controlled company. In addition outsourcing to an external provider was not considered as the way forward, as it would limit the savings potential and the scale of the outsource would be too small to generate the savings required. This effectively ruled out this option, and no further analysis is provided.

5.7. In order to determine the model for the Commercial and PSS the following table illustrates the rationale used for selecting a model that would work best.

Option	Features	Rationale
<b>Joint Working</b>	The 'ad-hoc' nature of the agreement could lead to unclear accountability and difficulties in sharing risk and benefits.	Not recommended. The experience of other Councils operating this model is that it doesn't fully commit Councils to making the service work and provides difficulties through having staff on different terms and conditions. In addition the structure would not be suitable for an agreement between a number of organisations.
<b>Shared Service</b>	One organisation manages and supplies services to others.	This is the recommended option – it enables a structured service to be created, whilst generating economies of scale and savings for each partner.
<b>Outsourcing</b>	Services transferred to a private sector partner.	Not recommended – this would 'lock' the Councils in to a particular contractor and restrict the opportunities to make further savings through adding additional Councils and services to the arrangement. There have been a number of outsourcings of procurement (e.g. SW ONE) that have had poor outcomes for the Councils participating. In addition, currently there is no demand

Option	Features	Rationale
or desire to outsource work or staff.		

**5.8. The Recommended Option**

On the basis of the research, and taking into account the requirements of the two organisations, the Shared Service model is recommended.

- It was agreed that maintaining the status quo is not an option due to the savings each has to make, and the other challenges in running small procurement functions. As a result delivering services in a different way and sharing them with others was now considered the only option to make further savings and continue to provide a resilient service.
- The Shared Service model is a popular vehicle for initiating shared services in local government. It provides clarity as the service is delivered by one authority to another under delegated agreements. The arrangements are generally governed by an Inter Authority Agreement (IAA), which is set up for a defined purpose. The services are delivered and managed within the decision making framework of the Lead Authority, which would be underpinned by comprehensive delegation agreements and service level agreements. Staff from other authorities can TUPE to the lead authority which will make cultural change less challenging.
- Accordingly it is recommended that staff from LB Brent are TUPE transferred to Harrow Council. This process will require a formal process of consultation, but it will provide clarity for staff and protection for employees in terms of job security, pension and contractual terms of employment. As it provides a single employer model, the cultural changes required to deliver the practice will be easier to achieve.

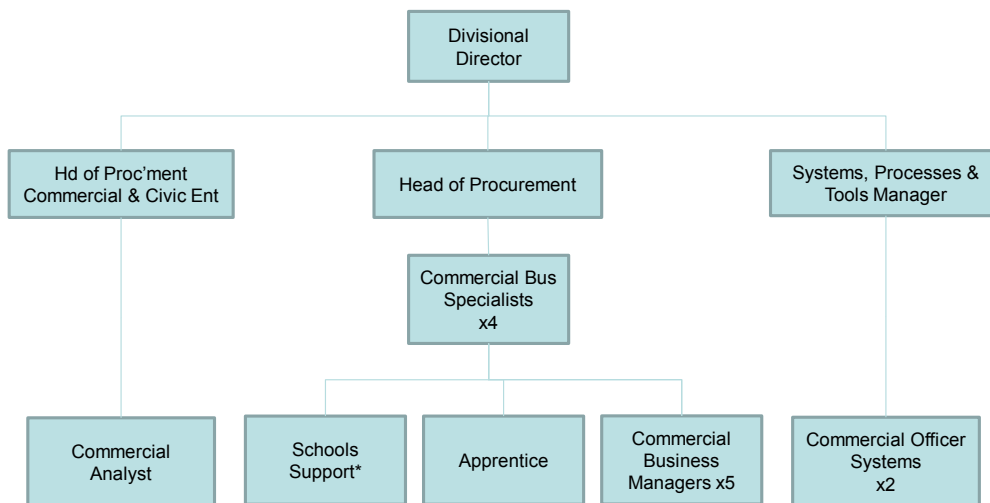
## 6. Proposed Target Operating Model

### 6.1. Business Model

The proposed target operating model<sup>8</sup> is shown in the following diagram. This proposal will be subject to formal consultation and may change as a result.



### Revised Target Operating Model



Confidential – Not intended for publication

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**Notes**  
\* to be funded by schools

- The host authority is proposed to be Harrow Council which will manage procurement staff across all Councils. Staff will be located at the Council where it is most appropriate to carry out their work; this approach retains flexibility to respond to local circumstances and requirements. However it still permits the full benefits of economies of scale, effective process design and re-design, career development and cost reduction.
- Underpinning the new approach to management is a focus on the key strategic goal of expanding as a shared service, promoting income generation and creating stakeholder value. Thus the service re-design will include changes to the overall business model, not just efficiency savings.
- The key features of the new service will be that there will be one Procurement Director responsible for the performance of the team and for providing direction to

<sup>8</sup> The proposed target operating model described in this section will only be consulted on, and possibly implemented, after an assessment of the operations of the combined procurement teams has been performed, and only if there are valid economic, technological or organisational reasons.

the service. This role is likely to spend their week moving between the two organisations.

- It is proposed that there will be a Head of Procurement. This role will be peripatetic and serve both councils, dependent upon the demand for their services.
- In addition there will be a Head of Procurement responsible for Commercialisation and Civic Enterprise activities.
- There will be four Commercial Business Specialists arranged in groups that align to the service areas that they will support. These staff will not be based nor aligned to a particular council but will provide peripatetic support across both Councils.
- Commercial Support Officers, or Procurement Support Officers, will be part of the PSS Team but will be located within the Council that they are likely to spend the majority of their time supporting. They will be enabled to provide support across all organisations.

6.2. Governance arrangements will need to be agreed by all parties prior to the detailed work on creation of the service. It is proposed that a two-council governance board meets quarterly to review performance and consists of senior Directors from each organisation. Initially this board will need to agree the governance arrangements, agree the role profiles and appointment process and how future partners could be brought into the arrangement. The PSS will report on performance and outcomes to Portfolio Holders annually. To assist with this, a suite of KPIs will be developed as part of the Inter Authority Agreement.

6.3. Optional Activities will be defined in a menu based service and ‘purchased’ by councils on an ‘as required’ basis. It will need to be agreed as to how they will be priced and how they will be delivered.

6.4. A draft set of Design Principles have been created, which support the transition to a shared service and ensure that the design aligns with the vision for a shared procurement practice.

Area	Principles
<b>Processes</b>	Standardise processes unless they need to be different
	Maximum time on professional role
	Greater efficiency of process – faster – better for customers – easier - simpler
	Eradicate duplication across Councils
	Optimal use of resource and performance regulated by Business Practice Manager

Area	Principles
<b>Organisation</b>	<p>Standard terms and conditions will enable consistent treatment of all staff, irrespective of where they are working and ensure that activities can be consistently priced. In addition it will make filling vacancies easier, rather than having to recruit to different terms for different organisations.</p> <p>Staff will TUPE transfer into Harrow Council and be on their existing terms &amp; conditions.</p> <p>All impacted staff will be able to apply for new roles unless ring-fencing applies. Once the target operating model and role profiles have been agreed, positions will be advertised in both partner organisations. All applicants that are shortlisted will be interviewed by a panel that has representatives from both organisations.</p> <p>TUPE will apply to staff that transfer into Harrow Council.</p> <p>Customer focused culture with expert professionals.</p> <p>A resilient flexible and scalable business model</p> <p>Where possible the new Commercial and Procurement Service will share assets (such as ICT, buildings, resources, management)</p> <p>Use internal talent to redesign the business, taking the best from each other to capitalise on strengths and reduce weaknesses</p> <p>Sustainable, cost effective and efficient shared services which are highly competitive and that can provide savings/economies of scale</p>
<b>Technology and Information</b>	<p>Each Council will continue to use their existing ERP system (SAP or Oracle). The benefits from implementing one ERP across both organisations do not outweigh the significant costs (investment, implementation and change) that would be incurred through the implementation.</p> <p>The PSS will look to implement common systems across both councils, with the exception of the ERP system. These would include sharing tendering packages, contract management systems and ...</p> <p>The target operating model will include a Systems Manager who will be responsible for ensuring consistency of systems across all the organisations, implementing standard processes around those systems and managing the day to day running of those systems.</p> <p>In order to obtain benefits and economies of scale the proposal is to align category management and analysis across both councils.</p>
<b>Location</b>	<p>In order to maximise efficiencies the target operating model will specify that some posts, probably the more senior roles, will require the post holder to travel between the two locations.</p> <p>Unless a system is specific to one partner, it is envisaged that the systems team will be based in one location. This will help to create a centre of excellence for systems and enable the team to share knowledge.</p> <p>The target operating model will be designed so that staff can be co-located, enabling a consistent coverage for each of the partner organisations.</p>
<b>Business</b>	<p>Operating model is able to adapt to meet the changing needs of the</p>

Area	Principles
<b>Growth</b>	Councils Needs to be business focussed and attractive to others Create a competitive advantage to develop income generation opportunities

## 6.5. Commercial and PSS Sizing

In order to establish the procurement workload that the PSS would inherit from the respective boroughs, an analysis of the contract registers across the shared services was undertaken. Across the two boroughs there were 238 significant contracts (broken down per borough in the table below) which were identified as being due to expire from now to the 31st March 2019.

	Brent	Harrow
<b>Significant Contracts</b>	97	141

Based on the possible future operating target model (section 6), the above contracts were allocated across a team of 11 procurement professionals. The outcome was that from the point of the PSS going live 21 procurement projects would be allocated to each of the individual professionals in the team.

This number of projects /workload for individuals within a procurement function is consistent with the experience of procurement professionals and the workload they manage. Much of the time this workload is staggered and is also a composition of both complex high value and less complex lower value procurement projects.

Also the detail behind these contract numbers as yet has not been established; there may be opportunities to collaborate on similar categories; where it may be possible to access existing frameworks for procurements; and other improved outcomes of the PSS such as generic systems and processes.

## 6.6. Scope

The following table outlines the proposed split of activities. It intends to provide an indication of who is responsible for the activity in the future along with possible variations.

Activity	PSS		Services	Other
	Local	Shared		
Drafting Commercialisation & Procurement strategies		Lead		

Activity	PSS	Services	Other
Achieving Savings	Depends upon the nature of savings required		
Compliance with EU and Council priorities	Lead		
Category management	Lead		
Market management	Lead		
Needs analysis	Support	Lead	
Specification development	Support	Lead	
Drafting of tender documents	Support	Lead	
Tendering	Depending upon the shared service role required		
Negotiation	Lead	Support	
Advice & support	Depending upon the nature of the advice or support required		
Commercial trading arrangements	Lead		
Contract management		Lead	
New business models	Lead		
Commercialisation	Lead		
Social Value	This will be led by the Divisional Director and be input into each procurement as required		
Managing procurements through governance boards	Lead		
Governance & systems	Lead		

The intention is to create one team that provides services to the partner councils in a seamless and efficient way. It will be under the stewardship of a Divisional Director who will be shared with both councils. The main contracts requiring procurement management will be determined from reviewing each organisation's contracts register and developing a procurement programme. The team will consider the value and risk profile, recognising that significant procurements (such as those above the EU Threshold) will need closer attention.

#### 6.7. IT Considerations

IT will be an enabler to ensuring that the PSS staff can perform their duties to each of their clients with minimal disruption. More detail about the proposed IT solution is provided in section 9.3.

#### 6.8. Procurement Shared Service Governance



The new shared service will be overseen by a Divisional Director of Commercial and Procurement. From a shared service governance viewpoint, the post-holder role will report into the two partner councils on a quarterly basis. The Divisional Director of Commercial and Procurement will produce an annual report that will be presented to each Council's Cabinet. The annual report will also outline the estimated budget for the shared service, and determine the share of the costs for each partner organisation in time for the annual budget setting process.

The Divisional Director of Commercial & Procurement will produce an annual Procurement Report and present this to a Shared Services Steering Group which consists of the relevant Portfolio Holders/Members from both partner councils. This body will also be responsible for agreeing any changes in the proportion of cost allocation as well as considering applications from other organisations to join the Procurement Shared Service.

On an on-going basis PSS staff will attend relevant meetings with Services/Business Units and sit on the relevant individual procurement and programme Boards, as they currently do.

#### 6.9. How will the PSS support Harrow Council?

The PSS will support Harrow by providing the following:

- The service will support each procurement that is over the current threshold (£100,000);
- In providing the above, the shared service will be able to bring procurement experts and experience from the other councils;
- Provide greater resilience, should staff become unavailable or leave;
- Initially the same systems and processes will be followed but these will be streamlined and aligned over time;
- Staff will be available to work on procurement activity and processes but they may not necessarily need to be on site; and
- Both the quality of work and the outcomes being delivered will be overseen by senior managers.

In addition, other activity that the shared service will provide (if required) includes:

- An advisory service for procurement activity below the threshold;
- Sharing of commercialisation expertise and experience;
- Sharing of techniques to include social value in procurement activities;
- Collaborative procurement opportunities, both with current partners and potential future partners; and
- Provide access to a wider talent pool.

#### 6.10. How will the PSS support Brent Council?

The PSS will support Brent by providing the following:

- The service will support each procurement that is over an agreed threshold;
- In providing the above, the shared service will be able to bring procurement experts and experience from the other councils;
- Provide consistency across the council in the way procurement activity is undertaken, reducing the risk of failure to adhere to CPR's;
- Reducing the reliance on interim resource and removing the problem of vacant posts;
- Provide greater resilience, should staff become unavailable or leave;
- Initially the same processes will be followed but these will be streamlined and aligned over time;
- Staff will be available to work on procurement activity and processes but they may not necessarily be on site; and
- Both the quality of work and the outcomes being delivered will be overseen by senior managers.

In addition, other activity that the shared service will provide (if required) includes:

- An advisory service for procurement activity below the EU threshold;
- Sharing of commercialisation expertise and experience;
- Sharing of techniques to include social value in procurement activities;
- Collaborative procurement opportunities, both with current partners and potential future partners; and
- Provide access to a wider talent pool.

## 7. Benefits, Disbenefits and Outcomes

### 7.1. Benefits

It is contended that combining the 2 teams into one shared service team will provide the following benefits:-

#### 7.1.1.1. Reduced overall cost

The combination of two procurement teams will allow for the release of economies of scale and an overall reduction in cost. This will be by reducing the spending on staffing and systems, and enabling combined procurements.

These savings will be achieved by:

- Combining expertise in category management to share knowledge and resources and to determine the potential collaborative opportunities.
- Aggregating spend on common goods and services to make savings, but without compromising on providing opportunities for local businesses.
- Delivering a programme of contract management training in order to improve our supplier management capabilities and developing two Council-wide approaches to contract management in order to gain most value from the supply chain.
- Undertaking a comprehensive spend and supplier analysis across both Councils in order to identify where improvements, savings and efficiencies might be achieved.
- Developing and delivering a pipeline of collaborative, 2-Council procurement projects.

#### 7.1.1.2. Ability to attract staff

Both boroughs have struggled to attract staff of good quality to their structures. It is considered that in part this is due to location, but it is considered that the salaries that can be offered and the lack of subsequent career opportunities are also key determinants. As the size of the teams shrink this situation will be exacerbated. Combining the teams offers the opportunity to provide a structure that can provide salaries and career opportunities at the levels to attract good staff. Having staff of the right quality will also enable procurement teams to hold discussions at the appropriate level with service-based staff on forthcoming procurements and to be able to influence the direction of those.

#### 7.1.1.3. Enable a more commercial approach to be taken in the boroughs

Related to the issues of attracting staff with the correct skills and calibre, it is proposed that any shared service structure adopts a commercial approach to its

work. In particular this will involve having a remit to drive income generation, work with Services to establish trading vehicles and taking a risk based approach to procurement.

#### 7.1.□.4. Greater savings by combining procurement activity

Over time it will be possible to align many of the procurements of the 2 boroughs. The area where 'quick wins' can be made will be in areas such as corporate procurements and commodities (i.e. insurance, telecommunications, commodities, etc.) as typically these areas do not have 'owners' so decisions will be able to be made quite quickly about joining these up. Contracts owned by service departments will, typically, be harder to join up and will take a longer period to do so. Notwithstanding that, significant benefits are anticipated from being able to approach relevant markets with greater purchasing power and from a consistent offering.

In addition to the direct savings, savings are also possible from standardising documentation (e.g. ITT and contracts) and other support services, such as legal and finance support. However it is recognised that partners may require that the provision of other support services could need to remain with the procuring council. Further discussion is required between partners about how this support will be provided.

#### 7.1.□.5. Systems approach and supplier spend/management synergy

The 2 boroughs use different ERP systems as Brent uses Oracle and Harrow uses SAP so there will be a need to continue to support both systems. However there is an opportunity for organisations to access shared contracts through catalogues hosted on the e-marketplace. The marketplace supports both SAP and Oracle and is currently implemented in Brent. Both Councils currently use Due North for their e-tendering requirements so there are some synergies that can be gained from this. Additionally both Harrow and Brent Boroughs also use the Pan London Contracts Register.

Spend analysis will be extracted from the ERP systems, combined and analysed through the Local Authority standard classification 'ProClass'. Brent has recently implemented improvements to their P2P system to enable improved categorisation by ProClass.

#### 7.1.□.6. Contract and supplier relationship management

The 2 boroughs use a number of common suppliers; over time as the boroughs increasingly undertake joint procurements this number will increase. The benefits of sharing suppliers are that a cohesive approach can be taken to their contract and supplier relationship management to reduce costs and improve performance. This will assist to ensure that suppliers aren't using differential pricing across the boroughs' contracts.

#### 7.1.□.7. Supporting local economies

The PSS will ensure that all participating council's objectives in relation to social, economic and environmental aims are delivered. Best practice will be shared across the organisations, using a base set of documents and principles that take the best elements of each council. In particular the following activities will be considered by the PSSs team:

- Include criteria relating to social, economic and environmental objectives in all contracts;
- Ensure equality of opportunity to bid for all suppliers, which would include improving accessibility for sole traders, small and medium sized enterprises (SME's);
- Ensuring that payment of the London Living Wage is considered in London procurements, and payment of the Living Wage is considered for all others;
- Improving management information so that spend can be tracked consistently across the PSS, in particular with local businesses and SME's;
- Including targets for waste, recycling and energy consumption in requirements wherever possible; and
- Maintaining best practice by ensuring Equality and Diversity requirements are addressed in all procurement documentation.

#### 7.1.□.8. Schools

Both London boroughs have a procurement resource for schools. Brent has a Senior Category Manager whilst Harrow has a Commercial Officer funded through contributions from schools. It is considered that there is a significant opportunity to better utilise these 2 roles to provide a more comprehensive schools service that can expand to provide a service to an increased number of schools, other boroughs and Academies, etc. This will require active marketing and promotion to reach into areas where opportunities may exist and will be achievable out of existing budgets.

#### 7.1.□.9. Increasing the Shared Service offering

The additional benefit from joining up the teams is that it provides a platform for sharing procurement services with other public sector bodies by providing a clear track record and a firm basis on which to build additional capabilities.

### 7.2. PSS Economic Position

The economic case has been built around a number of assumptions. The target operating model has been constructed using the revised budgets of the two councils. It is proposed that fixed costs will be split between them in proportion to the budget provided at the outset. Any variable costs in future years will be split on the basis of

the commissioned service as set out in the service plan, while consumables will be paid by the council that they are intended for.

The proposal for income sharing is as follows:

- As at the establishment of the shared service, any existing income being received or arrangements already put in place to generate income by either Council (e.g. as evidenced by publication of an OJEU notice or other means) will be received by the Council currently receiving/planning that income and will remain outside of the procurement Shared Service.
- Any new income from frameworks or new business developed by the partnership will be shared amongst the partners in the proportion of budgetary contributions after the deduction of any sales, marketing or integration costs. This incentivises each partner to come forward with income generating ideas and provides an equitable way forward.
- Any income generated by commercialisation or civic enterprise activity is out of the scope of the PSS and will not be shared.
- New partners will bring additional savings opportunities for the Shared Service through additional scale and Procurement resource. Benefits from any additional income will only be shared amongst the Founding Partners (Harrow/Brent)

Future (external) trading will be considered with other non-local authority organisations but not in the immediate future.

Each participating council will be charged a proportion of the cost of the PSS based upon the relative proportions of the 2015/16 budgets. This means any surplus or deficit will be apportioned in line with fixed proportions. On this basis, the PSS will enable the release of savings for Harrow and Brent Councils, ensuring that they achieve their respective targeted cost reductions.

The Shared Service Management Board<sup>9</sup> will agree the mechanisms by which to monitor performance. Any changes to allocation of costs, including as a result of the withdrawal of a partner, or sharing of income following the initial agreement will need to be agreed by the a board<sup>10</sup> consisting of the relevant Portfolio Holders from the partner organisations.

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<sup>9</sup> Name to be agreed

<sup>10</sup> Steering Group

<b>C&amp;P Shared Service Summary</b>				
	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Annual Uplift</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	
<b>Contributions:</b>				
Brent	540.868	545.839	550.861	0%
Harrow	586.644	592.037	597.484	
<b>Total Contributions</b>	<b>1,127.512</b>	<b>1,137.876</b>	<b>1,148.344</b>	
<b>Salary Costs</b>				
	1,036.432	1,046.796	1,057.264	1%
Other Staffing Costs	15.000	15.000	15.000	0%
Other Procurement Related Costs	76.080	76.080	76.080	0%
Overhead Contribution	-	-	-	
<b>Total Costs</b>	<b>1,127.512</b>	<b>1,137.876</b>	<b>1,148.344</b>	
<b>Surplus / (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

<b>PSS</b>	<b>2016/17</b>
	<b>£</b>
Income (from 7.4)	1,128,166
Costs (from 7.5)	1,127,512
<b>Surplus / (Deficit)</b>	<b>£654</b>

Any surplus or deficit will be shared amongst the partner organisations, either offset against costs or as an increase in the annual cost of the service. Where required full cost and income information about the shared services operations will be provided to the partners by Harrow Council.

### 7.3. Cost Apportionment

Operational costs incurred by the PSS will be recharged to partner organisations in direct relation to the proportion of budgets that were agreed at the outset of the project. The following table illustrates how operational costs will be apportioned on an annual basis.

<b>Council</b>	<b>Original Budget</b>	<b>Allocation Proportion<sup>11</sup></b>
	<b>£'000s</b>	
<b>Harrow</b>	586 <sup>12</sup>	52.03
<b>Brent</b>	541 <sup>13</sup>	47.97

<sup>11</sup> Proportions based on a %age of the Total Original Budget and rounded to 4 decimal places

<sup>12</sup> After allowing for reductions in budgets in year 2 only (as 2016/17 budget figure already has reduction for year 1)

<sup>13</sup> After allowing for reductions in budgets in years 1 and 2

<b>Council</b>	<b>Original Budget £'000s</b>	<b>Allocation Proportion<sup>11</sup></b>
<b>Totals</b>	<b>£1,127</b>	<b>1.0000</b>

Any over- or under- spend in a financial year will be apportioned to the partners on the basis of the proportions above.

#### 7.4. Procurement Shared Service - Council Contributions

Income for the PSS derives initially from two sources: Brent Council (actual income) and Harrow (notional income). In order to keep the method of apportionment simple, income has been assessed Assuming a 'Go-Live' in April 2016, and a full 12 months operation in the first year. The following table illustrates how each organisation has agreed to fund the PSS.

	<b>2015/16 Budget £</b>	<b>Savings Required<sup>14</sup> £</b>	<b>Amount Available £</b>
Harrow <sup>15</sup>	876,990 <sup>16</sup>	(290,000)	586,990
Brent	813,176	(272,000)	541,176
<b>Total</b>	<b>£813,176</b>	<b>£(453,793)</b>	<b>£1,128,166</b>

The intention is for the PSS to generate income over and above the regular contributions from partners by selling their services to other local authorities, government departments and third parties. The pricing of these activities will be dependent upon the nature of the activity and whether it can be performed by existing resource or whether temporary resource would be required.

Contribution to Harrow overheads by Brent will be discussed as part of the negotiations of the Inter Authority Agreement. The current overheads incurred by the Harrow Procurement Team are calculated at £9k per person (£7k excluding capital items) and as such it is expected that each of the partnering councils will contribute to Harrow based on this amount and dependent upon how many staff transfer to Harrow Council.

#### 7.5. Procurement Shared Service Costs

The PSS has been designed to deliver savings across Brent and Harrow from day one, and an improved and more resilient service for both partners. Using the staffing structure outlined in section 6.1 the annual cost of the new PSS will be £1,120k in the first year of operations.

<sup>14</sup> Savings required in 2016/17 and 2017/18

<sup>15</sup> Notional as there will be no budget transfer

<sup>16</sup> 2015/16 budget adjusted for 2016 salary increase



<b>Annual Costs</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Salary costs	1,036,432	1,046,796	1,057,264
Other staffing costs <sup>17</sup>	15,000	15,000	15,000
Other procurement related costs (see 7.5)	76,080	76,080	76,080
<b>Total Cost of Shared Service</b>	<b>£1,127,512</b>	<b>£1,137,876</b>	<b>£1,148,344</b>

Assumptions behind the figures outlined above include:

- i. Each year above has been considered as a full year.
- ii. The salary costs relate to a full year of the new TOM.
- iii. An uplift in salary costs of 1% has been added to subsequent years.
- iv. Salary costs (including on-costs) are based on the following number of roles.

The breakdown of Salary Costs is provided in the table below.

<b>PSS Roles*</b>	<b>Grade<sup>18</sup></b>	<b>Number of Posts</b>	<b>Salary (inc on-costs)</b>	<b>Total Staff Costs</b>
			<b>£</b>	<b>£</b>
Divisional Director	D1 (point 5)	1	145,000	145,000
Head of Procurement	MG4	1	92,058	92,058
Head of Commercial Services	MG4	1	92,058	92,058
Commercial Business Specialists	MG1	4	61,879	247,516
Commercial Business Managers	G10	5	49,548	247,740
Systems, Processes & Tools Manager	MG1	1	61,879	61,879
Commercial Analysts	G7	1	36,727	36,727
Commercial Officer Systems	G7	2	36,727	73,454
Apprentice		1	20,000	20,000
<i>Schools Support</i>			<i>Funded by Schools</i>	
Allowance for existing salary protection				20,000
<b>Total Salary Costs</b>		<b>17</b>		<b>£1,036,432</b>

For outline profiles for a number of these roles refer to appendix 4.

<sup>17</sup> Travel, training and telecommunications

<sup>18</sup> Harrow Council grades, based on spinal scale mid-point unless otherwise stated

\* All new roles will be subject to Job Evaluation, and if a market supplement is required then the Council's policy and process will be followed.

## 7.6. Other Procurement Related Costs

Other procurement related costs are mainly concerned with systems and the table below includes the costs and associated assumptions.

Cost	Value £	Assumption
Due North	31,260	Both councils currently use this e-tendering package.
Illuminator / PORGE	12,000	Currently Harrow and Brent use this research tool and it is assumed that this cost will not rise as there will be no increase in licences
EGS Marketplace	10,000	Brent currently use EGS and there is no requirement for Harrow to use it
BvD & MINT	10,000	Company research tools currently not used
Network Costs	5,000	For Brent to provide the local LAN
Software	7,820	Harrow ICT charge to set up new users
Other Costs	15,000	Travel & training
<b>Total Procurement Related Costs</b>	<b>£91,080</b>	

## 7.7. First Year Operational Considerations

Whilst the amalgamation of the two teams is intended to take place in August 2016 there are considerations that need to be taken into account during the first year of operations. Firstly the shared service operating model will not be in place until November 2016 at the earliest. This will mean that the merged team will be operating at the current cost until the new model is fully staffed. In effect this would mean an increase of approximately £264,713 for the first seven months. The impact of this on each Council is shown in the following table.

Council	Original Budget £	PSS Contribution £	Saving £	7 Months Current Cost £
Harrow <sup>19</sup>	876,990	586,990	290,000	169,167
Brent	813,176	541,176	272,000 <sup>20</sup>	158,667
<b>Total</b>	<b>£1,690,166</b>	<b>£1,128,166</b>	<b>£562,000</b>	<b>£327,834</b>

There is the possibility of additional year one costs should any redundancies be made. These will be effective from 1<sup>st</sup> November 2016 and may include notice periods of up to 12 weeks. No impact of this has been taken into account due to not knowing the

<sup>19</sup> Harrow budget is 2015/16 adjusted for 2016/17 pay award

<sup>20</sup> Savings relate to 2016/17

impact of vacant posts, difficulty in determining likely notice periods and redundancy terms but the method of apportionment will be agreed by all parties. This will be confirmed and agreed before the 30<sup>th</sup> October 2016.

In addition it is possible that individuals may take roles that are below their current salary or grade. In these cases the individuals are allowed to continue for a period<sup>21</sup> on current salaries which would reduce the saving potential until they move onto the new pay grade.

These two factors can be offset against a combination of current vacancies and the fact that £180k of LB Harrow's savings are not due until 2017/18, and the current case has them being realised earlier.

Finally the treatment of set up costs that will be incurred through the creation of the new shared service will need to be agreed as a first year cost that the partners will share. These include one-off ICT costs, HR advisory costs and legal advice on the creation of Inter Authority Agreements. These costs will be incurred by Harrow and funded from the Procurement budget in the short term, with the intention of reimbursing the budget once the new shared service is operational.

#### *7.8. Redundancy Costs[NB this section requires discussion/negotiation with Brent]*

Prior to the inception of the PSS and during its first year of operation (i.e. one year from the date of staff transferring) it is proposed that costs of any redundancy will fall to the previously employing Council. In subsequent years any subsequent costs will be incurred by the shared service and allocated to the partners in accordance with the cost sharing mechanism. The aim is to minimise the potential for redundancies by removing vacant posts in both organisations.

Voluntary redundancy (VR) schemes may be applied in accordance with each Council's Policies and Procedures, in advance of transferring to Harrow Council.

#### 7.9. Other Costs

Consideration has been given to the potential requirement to top up the Harrow Council Pension Fund for those staff transferring into Harrow Council. However having sought legal advice the opinion is that if the transferring staff is less than 10 any transfer will have to be calculated by factors prescribed by the Government Actuary so there is no requirement to involve the respective pension fund actuaries<sup>22</sup>. The impact of this is that although there will be a transfer between funds it will not require topping up, and as such has no impact on the business case.

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<sup>21</sup> This period will vary between councils, and it is possible that a reduced difference is also required for the second year

<sup>22</sup> Email from Linda D'Souza, Head of HR Operations, Harrow Council, 15<sup>th</sup> October 2015

## 7.10. Disbenefits

The main disbenefits for the implementation of the PSS are:

### 7.10.1.1. Greater geographic movement

Whilst there will be staff located on their respective customer locations the operating model assumes that some of the more senior roles will be peripatetic. It is also possible that peaks of workflow may require movement between locations, especially if system access is not permitted remotely, but this will be kept to an absolute minimum.

### 7.10.1.2. Potentially significant increase in delivering competing priorities across 2 organisations

The creation of the PSS will reduce the resources available to provide Commercial and Procurement services across the two clients. This will mean that there is likely to be more competition for resources.

### 7.10.1.3. Commissioners in both organisations may feel 'short changed' from the support they are receiving as they have been used to dedicated teams.

The current service that clients receive is likely to be tailored to specific service areas. The new shared service will be encouraged to provide a standard service which could mean that clients will feel short changed.

### 7.10.1.4. Having to operate with different systems and processes, cultures and processes.

In the short term it is unlikely that there will be standards processes and systems. The culture and way of working in each council will also vary and add challenges to the PSS. Whilst this will be less of a concern for those staff based on specific sites, it may mean some staff will need to work with different systems and processes.

A complication will also be the different requirements expected from each Council's Legal and Finance teams.

### 7.10.1.5. Removal of a council-specific procurement service

Until the creation of a PSS each participating council will have had a procurement service that was tailored to their specific requirements. Whilst this would have changed significantly over recent years, due to budget cuts, the main activities and ways of working would be known to their clients. With the implementation of a

shared service, this service will change to become a standard service across a number of organisations, thereby reducing the amount of bespokeing. It will also mean a change to the relationships between the client and the shared service.

#### 7.11. Outcomes

The PSS will provide a service that:

- Supports the delivery of financial savings and non-financial efficiencies from contracted services both through competitive procurement and supplier negotiations.
- Delivers value and innovation through leading a programme of procurement across the shared service.
- Uses category management techniques and spend analytic tools to enable smarter and where appropriate collaborative procurement.
- Analyses and provides sector specific market intelligence to commissioning experts to inform decision making to allow for market making and market shaping.
- Develops a set of contract standing orders for the shared services that is generic where it is able to be whilst recognising the respective Councils making up the shared service will have specifics that they will wish to maintain.
- Develops procurement processes that are generic and support the lean delivery of projects whilst at the same time ensure good governance and probity.
- Manages procurement boards across the shared services to ensure adequate officer scrutiny is given to decisions to commence procurement and award contracts.
- Manages and record procurement risk at a corporate level and also at procurement project level.
- Offers training and development in commercial and procurement to services. The offer is developed to suit each shared services organisation.
- Supports the delivery of strategic contract management and Supplier Relationship Management.

## 8. Timescales and Implementation

### 8.1. Implementation Timeline

The timescales for implementation are set out in the following table. The project commencement is the start of the first calendar month after month that Cabinet have given approval to proceed. The approach being recommended is to manage the transfer of all staff to the Lead Authority (Harrow Council) after the requisite consultation periods in Brent Council.

Proposed Date <sup>23</sup>	Activity or Milestone	Description
<b>2016</b>		
May	PSS Business Case redrafted	Redrafted to allow for the exclusion of Bucks Council
	Inter Authority Agreement	Drafting of Inter Authority Agreement
	Staff and union engagement	Initial staff and union engagement to take place in all councils
	ICT solutions	Investigation into ICT options to enable staff to continue to work in Brent after transfer date
June	Cabinet Decision (Harrow)	
	Call in period	
	Consultation on staff TUPE transfer	Transfer to Harrow (Brent) – no fundamental change to job roles or location
	Agreement of high level terms	
	Measures Letter	Issue of Measures Letter (at least 30 days prior to transfer date)
July	Role Profiles drafted	
	Consultation pack	Begin the preparation of the Consultation Pack
August	Transfer Date	Brent staff transfer to Harrow Council
	Assessment of the operating model and whether it meets the needs of the partner organisations	
	Consultation on shared services TOM	Consultation on the new PSS Operating Model
September	Outcome meeting	
	Consultation complete	
	At Risk / Redundancy letters issued	
	Interview & Selection	Staff invited to apply for new roles and panel <sup>24</sup> interviewed
October	Appointment	Successful staff appointed to new roles, redundancy notices given to those unsuccessful

<sup>23</sup> Dates are based on attending Harrow Cabinet on 21<sup>st</sup> January 2016 Cabinet

<sup>24</sup> Interview panel will consist of representatives for each council

Proposed Date <sup>26</sup>	Activity or Milestone	Description
November	New PSS Operating Model commences	

## 8.2. HR Considerations

The main HR considerations are outlined below. More detailed responses from each councils HR teams are included in Appendix 5.

### Creation of the PSS

It is recommended that two phases are taken to create the shared service. Firstly, it is proposed that staff TUPE transfer from Brent to create a joint service with Harrow. Staff and unions will be engaged and consulted about this activity between December 2015 and March 2016. The intention is then to transform the joint service into a shared service through an interview and selection process, should there be economic, technological or organisational justifications.

### Redundancy

Agreement will be required to agree on the treatment of redundancy costs between the partners. The proposal is that redundancy costs are shared depending on which organisation the staff originated from. This will be subject to negotiations in the Inter Authority Agreement. There are two alternatives: firstly the costs are added to the operational costs of the shared service and allocated proportionately or secondly, suffered by Harrow as the employing organisation. The second alternative is not acceptable to Harrow.

Additionally voluntary redundancy may be considered, but will need to be agreed as each partner council has differing policies which would be part of the TUPE requirement. *[NB check that this statement is correct]*

### Protected Pay

Consideration will need to be given to the different protected pay policies that exist with each council.

### Other Considerations

Other areas for consideration include:

- Travel cost differences between organisations
- Car parking availability for staff
- Working hours and flexible working arrangements (for instance Harrow staff up to G11 are on flexi scheme over 36 hours)
- The identification of staff on maternity and sick leave need to be included in consultation
- The importance that HR reps meet with all staff on 1-2-1 basis to understand individuals specific employment details (such as home working arrangements, part-time working).

### 8.3. Consultation

Staff and union consultation is an important part of a shared services project and will be required in both organisations.

### 8.4. Location considerations

The intention is for staff to continue to work in their current offices on the transfer date and continue to work there until the new shared service operating model is implemented in November 2016. From that date onwards the location of staff will be dependent upon the specific role profile.

### 8.5. Project Critical Success Factors

A number of project critical success factors have been created as part of the service design principle development.

<b>Critical Success Factor</b>	<b>Priority<sup>25</sup></b>	<b>Definition</b>
Delivery of savings - MTFS	1	Delivers cashable savings for all parties
Delivery of savings - on-going	1	Delivers cashable savings through collaborative procurement and savings through provision of professional advice
Delivery of low cost, quality services	1	Sustainable, cost effective and efficient shared services which are competitive and that can provide savings & economies of scale
Investing in people and skills	1	The importance of investing in people and skills to support sustainable business.
Resilience	1	Continuously improving and creating a sustainable business with new revenue streams
Ease of delivery	2	Is not complex in terms of implementation
Anticipate Customer Needs	2	Customer focussed shared service which highlights an understanding of cultural needs. It has a flexible and proactive approach towards its customers to realise customer satisfaction; and has a 'can do' attitude at its core
Mandatory first request / refusal	2	To prevent fragmentation and duplication of provision, the shared service should be the first port of call for all procurement needs for all councils. Alternative provision should only be agreed where requests cannot be met.
Flexible	2	Provides a flexible model which can provide resources for peaks in demand and where partner authorities can join at

<sup>25</sup> These are per Harrow and Brent \$Qp2yadve.Docx



Critical Success Factor	Priority <sup>25</sup>	Definition
		a later date
Revenue streams	2	Develop revenue streams by looking for innovative ways to grow and be on the competitive edge by planning / reviewing market trends.
Governance & Compliance	2	Robust but flexible approach.
Multi-channel	2	Utilises ICT to deliver procurement service innovatively.
Provide a platform for continuous improvement	3	A flexible and scalable platform to support services by leveraging innovations in order to enhance market knowledge and self-development to gain competitive advantage

## 8.6. Set Up Costs

The following table includes an assessment of the costs required to create the PSS. In order to guarantee the success of the project Harrow Council will be injecting significant resource into the project.

Type	Description	Cost £	Source
<b>Resources</b>	HR Advisor	35,000	70 days at £500 per day
<b>Resources</b>	Legal Advice	25,000	Drafting IAA & associated matters
<b>IT Hardware</b>	Laptops for staff transferring	9,000	9 <sup>26</sup> staff at £1,000
<b>IT Software</b>	Software cost	4,140	9 staff at £460
<b>IT Set up</b>	One off set up costs	3,150	9 staff at £350
<b>IT LAN</b>	Remote LAN set up in Brent	20,000	£20,000 per location
<b>IT App</b>	Estimate to load an app in Brent for access to ERP	5,000	£5,000 per location
<b>Total Set Up Costs</b>		<b>£101,290</b>	

The assumptions behind the set-up costs are as follows:

- An HR advisor will be required to provide advice, guidance and direction throughout the process through to the appointment in the new operating model. This has been assumed as a full time role for three and a half months.
- There will be a requirement to obtain legal advice on the creation of the Inter Authority Agreements and associated matters.
- It has been assumed that 9 staff will become new Harrow employees and be provided with laptops at a cost of £1,000 each.
- For those 9 new staff the software cost has been estimated as £460 per person.

<sup>26</sup> Assuming 'new' employees are 50% of the future staffing

- Additionally these staff will also need to be set up on the Harrow systems at a cost of £350.
- A remote LAN will be required to enable staff to work remotely in Brent<sup>27</sup>. This has been estimated at £20,000 per location.

Any costs incurred by Harrow as a result of the restructure of Shared Service staff which will be initiated on the 1<sup>st</sup> of April 2016 will be split between Harrow and Brent in accordance with the budgets each council expect to provide in the first year of the Shared Service.

### 8.7. Implementation Team

A small project team will be required to implement the recommendations from this business case. It is proposed that there will be a Steering Group with Corporate Directors from each of the participating councils, along with the Procurement Director and HR representative(s). The project team will consist of at least one manager from each organisation, and include HR representatives.

## 9. Operational Matters & Dependencies

### 9.1. Governance and Reporting

It is proposed that a Shared Service Management Board will meet on a quarterly basis. It will consist of Corporate Directors representatives from each council (i.e. responsible for Procurement) and be chaired by the Corporate Director Resources. This will review performance and any major issues that require resolution. The Divisional Director will prepare an Annual Procurement Report that will be presented to the relevant Portfolio Holders of each Council.

The Shared Service Management Board will ensure that:

- Procurement activity follows CPR for each Council;
- Ensure resources are available for the higher risk and/or higher value procurements;
- Ensure collaborative procurement opportunities are identified and followed up;
- Ensuring that all Councils' have prepared procurement plans and strategies, and ensure that these are being followed; and
- Being accountable to participating Councils to ensure the successful delivery of projects.

The Divisional Director and PSS staff will feed into other boards (such as the Commissioning and Procurement Board in Harrow) as required.

### 9.2. Staffing

Job profiles and grades will be created and approved by the bi-borough governance board<sup>28</sup>. For an indication of the profiles for each of the main roles in the PSS refer to appendix 4.

### 9.3. IT and Systems

The proposal is for staff to receive IT support from Harrow, as Harrow employees. However this means that there is complexity for staff that are not located on Harrow premises and for those that travel between sites. The following table describes the variety of types of staff needs and the recommended solution for each set.

Staffing	Requirement	Recommendation
Peripatetic	<ul style="list-style-type: none"><li>• Ability to work remotely and flexibly</li><li>• Access the 2 council's systems</li><li>• Email account that can be</li></ul>	<ul style="list-style-type: none"><li>• Harrow Laptop user</li><li>• A remote LAN to be created for high speed connection on Brent sites</li></ul>

<sup>28</sup> Or whatever it is called!  
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Staffing	Requirement	Recommendation
	accessed from cloud or any location	<ul style="list-style-type: none"> <li>Access to SAP / Oracle would need Brent agreement for remote device access to local ERP system</li> <li>Users have a Harrow email account and associated calendar</li> </ul>
Based in one location (except Harrow), serving all councils	<ul style="list-style-type: none"> <li>Potentially desk based role - but location could be Brent (however may need flexibility to work in other locations)</li> <li>Access to both council's systems</li> <li>Email account</li> </ul>	<ul style="list-style-type: none"> <li>Harrow Laptop user</li> <li>A remote LAN to be created for high speed connection on Brent site</li> <li>Access to SAP / Oracle would need Brent agreement for remote device access to local ERP system</li> <li>Users have a Harrow email account and associated calendar</li> </ul>
Based in one Council (except Harrow) and serving that council	<ul style="list-style-type: none"> <li>Desk based role</li> <li>Access to that (one) council's systems</li> <li>Email account</li> </ul>	<ul style="list-style-type: none"> <li>Harrow Laptop user</li> <li>A remote LAN to be created for high speed connection on Brent site</li> <li>Access to Oracle would need Brent agreement for remote device access to local ERP system</li> <li>Users have a Harrow email account and associated calendar</li> </ul>
Harrow based (serving all or only Harrow)	<ul style="list-style-type: none"> <li>Desk based role</li> <li>Access to all systems</li> <li>Harrow email account</li> </ul>	<ul style="list-style-type: none"> <li>Harrow desktop user</li> <li>Able to access Brent systems via the cloud</li> <li>Unclear how they would access Oracle at Brent if required</li> <li>Users have a Harrow email account and associated calendar</li> </ul>

The main additional cost would be the creation of remote LAN's in Brent to enable users higher speed access and ensuring that they aren't reliant on WIFI or more expensive 3g connectivity. This has been estimated as £20,000 per site and included within set-up costs. However because all PSS staff will be on the same network it would mean that file sharing will not be a problem across the team.

Brent will need to provide remote access into their ERP systems from a Harrow managed device. Depending on how that is provided there may be some configuration work on Harrow devices to enable this, such as installing remote access client software. An estimated cost has been included within the set up costs to cover this as well as an on-going charge of £5,000 per organisation to maintain them.

In terms of specific procurement systems, the proposal is to continue to use local council-specific systems in the short term to ensure service continuity. It is likely that some systems will require more users than currently, and an exercise will be undertaken to determine the impact of this during implementation. Due to the current arrangements it is unlikely that this will be a significant cost.

#### 9.4. Training

There will be training requirements on three levels for the new operating model:

- Once the new Operating Model is in place, a Training Needs Analysis will be undertaken to identify areas where there are group or individual gaps in knowledge or skills.
- As part of staff development, requirements for longer term professional development will be captured and a training plan created.
- The aspiration will be for the organisation to continue to be CIPS Accredited and should training requirements be identified to maintain this accreditation.

#### 9.5. Future organisations joining

The new service will be designed so that new organisations will be able to join either fully, partially or on a menu-based basis. The method for accepting future organisations into the shared service has yet to be determined and will be agreed on a case by case basis, depending on the size of the organisation and complexity of requirements.

Formal arrangements for sharing the additional benefits of future organisations joining the shared service will be included in the Inter Authority Agreement. Implementation costs will be incurred by the joining organisation, and savings will be shared in proportions to be agreed with the partners.

#### 9.6. Exit Arrangements

The length of the PSS is proposed to be unlimited. Should organisations wish to exit the arrangement they will be required to give the remaining partner 12 months' notice of their intentions.

Should an organisation withdraw from the partnership the following will apply:

- The withdrawing partner will receive those staff that that can be assigned to that partner;
- The withdrawing partner will incur redundancy costs where staff are unable to be reassigned;
- The withdrawing partner will incur any other costs linked to their withdrawal, including any other redundancy costs and legal costs; and
- Should there be a dispute the withdrawing partner will be liable for the legal costs.

If a partner leaves the arrangement, then the remaining organisations will meet to discuss the viability of the operation, and whether it can continue.

## 9.7. Dependencies

The following table contains a list of major dependencies and the impacted activities.

Milestone or Activity	Dependency	Potential Risk
Shared Service staff can work at different locations	IT needs to enable remote working for all staff	The implementation may fail if IT cannot be accessed by the relevant staff at the relevant location
Agreement to proceed by Brent council	Approval of the business case to agree to move into the implementation phase	Without one or both parties the business case would not be viable.
Consultation is complete	Staff & union engagement is performed by councils in line with timescales	Lack of formal consultation could lead to failure to implement the new operating model
Agreement by Brent to allow Harrow to create LAN	LAN created in Brent	Difficulty in staff being able to work flexibly on other sites, and reliant on WIFI or 3G connections
Agreement by Brent to allow Harrow staff ERP access	User ids or accounts created in Brent to enable staff to access ERP	Inability for staff to process ERP transactions, or interrogate the ERP systems without local user access.

## 9.8. Risks

Major Risks have been captured in the project's risk register and assessed under Harrow Council's risk matrix. An extract of the Risk Register is included in appendix 6. The major risks are summarised in the points below:

- Withdrawal of an organisation**  
 Withdrawal of an organisation prior to the new operating model going live will lead to a significant revision of the design and the assumptions behind the business case.
- Procurement Considerations**  
 A failing in the PSS between Westminster and the Royal Borough of Kensington & Chelsea was where contracts were entered into jointly but held by one council, covered by an IAA<sup>29</sup>. When issues arose individual councils have found they were unable to deal with contractors directly. This has been remedied for new contracts, which are being let as frameworks with each authority having its own relationship directly with the contractor
- Decision Making**  
 There is a risk that decision making will be slower, especially for any decisions that require all partners to agree. In particular there will need to be agreement on how to

<sup>29</sup> Inter Authority Agreement  
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involve finance and legal reviews of tender/contractual documents for collaborative procurement.

- Inability to cope with the requirements of both councils  
There is a risk that the demand for procurement will continue to remain at current levels, ignoring the fact that the service is going through a transition. Stakeholder engagement and clear communications will be required across the both partner councils to reduce demand and set realistic expectations.

## 10. Summary by Council

10.1. The table below contains the summary benefits for each Council.

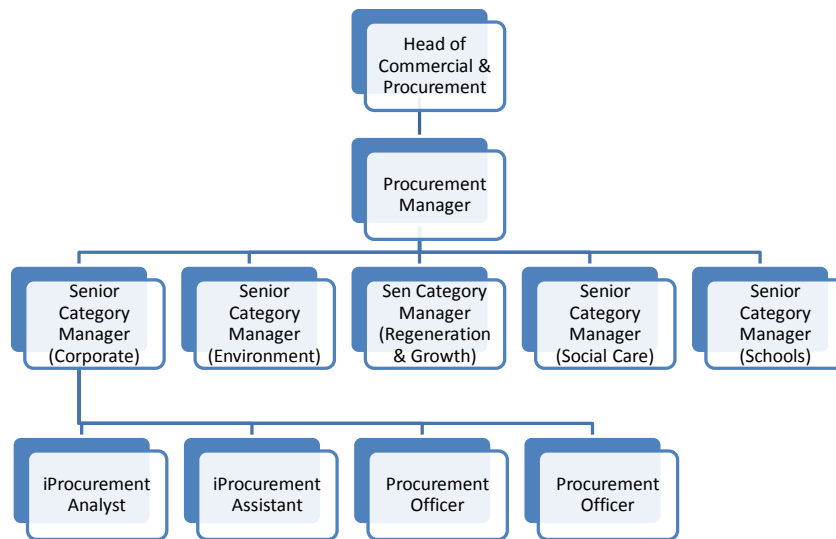
Council	Future Shared Services
<b>Harrow</b>	<ul style="list-style-type: none"> <li>• £290k cost savings will be achieved over the next two years without having to make dramatic staffing cuts.</li> <li>• Access to a greater level of knowledge, information and professional network across the organisations. The Shared Service brings not only procurement and commercial expertise but with it commissioning and commercial exchange of valuable ideas and initiatives</li> <li>• Organisation will be fully staffed, with the recruitment into the new organisation being undertaken through an interview and selection process.</li> <li>• Increased resilience with a team that is larger than the current team size</li> <li>• Career progression will be clearer, with opportunities for promotion</li> <li>• Training will be available for staff, and will be encouraged to enable the service to be the best in its class</li> <li>• Significant opportunities to collaborate on procurement initiatives and able to align contracts.</li> </ul>
<b>Brent</b>	<ul style="list-style-type: none"> <li>• £270k cost savings will be achieved over the next two years</li> <li>• Access to a greater level of knowledge, information and professional network across the organisations. The Shared Service brings not only procurement and commercial expertise but with it commissioning and commercial exchange of valuable ideas and initiatives</li> <li>• Organisation will be fully staffed, with the recruitment into the new organisation being undertaken through an interview and selection process.</li> <li>• Increased resilience with a team that is larger than the current team size</li> <li>• Career progression will be clearer, with opportunities for promotion</li> <li>• Training will be available for staff, and will be encouraged to enable the service to be the best in its class</li> <li>• Significant opportunities to collaborate on procurement initiatives and able to align contracts</li> <li>• Becoming part of a commercial &amp; procurement team that holds the CIPS Corporate Certification Standard (one of only two Local Authority's in the country at the time of writing).</li> <li>• Becoming part of an innovative commercially thinking team.</li> </ul>



## 11. Appendices

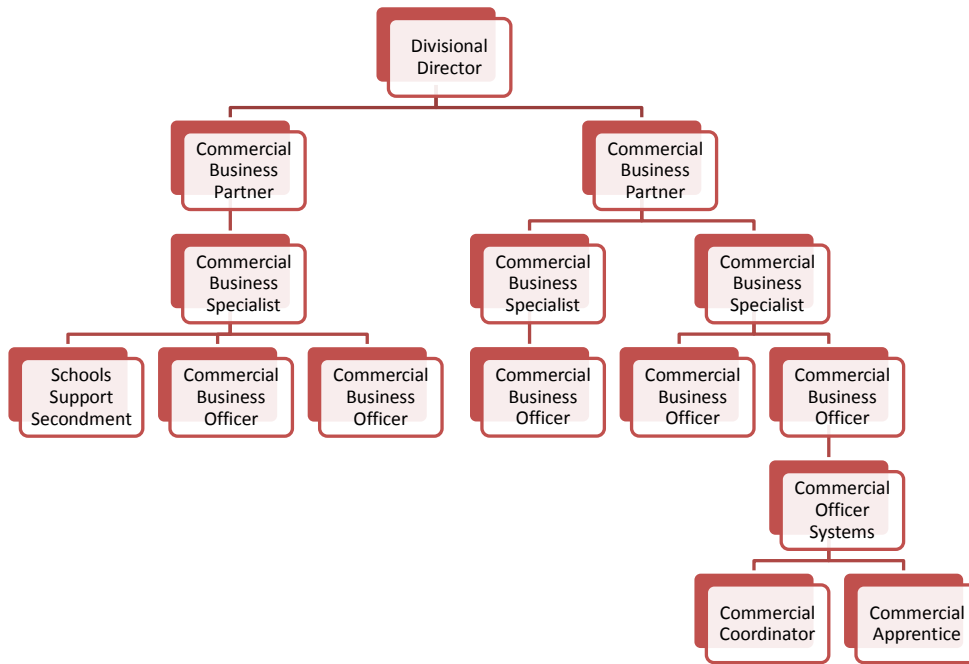
### 11.1. Appendix 1: Brent – Current Procurement Structure

#### BRENT Structure Chart for Procurement Team



11.2. Appendix 2: Harrow – Current Procurement Structure

## HARROW Structure Chart for Procurement Team



### 11.3. **Appendix 3: PSS Role Outlines**

- **Divisional Director, Commercial & Procurement**

Reporting to the Shared Services Management Board<sup>30</sup>, this post is pivotal to the success of the shared services arrangement. The Divisional Director will enable and drive a culture of best practice in procurement and commercial professional support. The Shared Services vision is ambitious and this role is fundamental to ensure this vision is delivered. This role will lead the team and oversee the strategic delivery of a procurement and commercial programme across the shared service.

- **Head of Procurement**

These roles will provide leadership, direction and management of the respective council's within the Shared Service's current contract, procurement and commissioning services, as well as playing a key role in leading the major contract re-provision programme and playing an advisory role for all other procurements.

There will be expectation to deliver measurable efficiencies in third party expenditure, professionalise and develop the procurement community, provide flexible and creative support to transform operations and achieve high standards of compliance with policies and processes.

- **Commercial Business Specialists**

Working closely with the service areas and supported by a team of Commercial Business Officers, a Commercial Business Specialist's role is primarily to understand and deliver a programme of procurement across the shared service. They will adopt a category management approach where possible to enable smarter and more efficient procurement and work closely with cross council teams. Additionally they will contribute in the decision making process by offering commercial and procurement expertise.

Commercial Business Specialist will effectively lead the delivery of procurement solutions ranging from £50,000 to multi million pound projects. This role will actively participate in the end to end process of the commissioning cycle i.e. Understand, plan, do and review.

- **Commercial Business Managers**

These roles will report to the Commercial Business Specialist and will be responsible for the day to day management of procurement support, both project based (tendering) and advisory. They will be responsible for increasing leveraged benefits and cost reductions through their professional support and advice in key procurement projects across the council's directorates.

This activity could range from low value to complex high value procurement projects and will include procurement in all areas of goods, works and services. They will also ensure compliance with the relevant Contract Procedure Rules.

- **Systems, Processes and Tools Manager**

The Commercial Business Officer - Systems and Processes role will be a key contributor to the success of the Shared Service, taking responsibility for the running and upkeep of

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<sup>30</sup> Naming of this Board is still to be agreed  
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systems and processes to ensure resources are delivered quickly, smartly and in a timely and sustainable manner.

The main focus of this role is to support the Shared Services team to provide a smart and seamless service through the use of modern technology and systems. They will be responsible for maintaining and improving the tendering process, contract management & financial information systems to produce strategic analytical management reports on procurement spend, social value expenditure data and contracts.

## 11.4. Appendix 4: HR Considerations

The following table outlines some of the main HR issues that need to be considered throughout the process, along with Council specific responses.

	Harrow	Brent
<p><b>The proposed approach is for all staff to transfer (TUPE) to Harrow Council on 01/04/16 and then be formally consulted on the new operating model, interviewed and selected for roles that come into effect on 1st July. Assuming the business case is approved by Cabinets in January, what are the relevant consultation periods in order to ensure staff and unions are adequately briefed for each council?</b></p>	<p>There is no formal requirement to consult staff or unions in advance of the TUPE transfer of staff into Harrow from Brent.</p> <p>However good practice would be to inform staff about the transfer and any measures. Furthermore brief staff on the rationale for Brent joining, the fact that current jobs won't change until 30<sup>th</sup> June 2015 and that the current management structures continues until 30<sup>th</sup> June 2015. Stage 2 consultation meetings with staff and trade union reps on the proposed shared services TOM will take place after March 2015.</p> <p>It would be helpful to brief Harrow unions before April about the Transfer, any measures and identify who will transfer.</p>	<p>As mentioned in a previous email it is very difficult to answer this without knowing what Cabinet will finally agree; i.e. whether this is TUPE or a shared service. If TUPE, then we have to work with Harrow in transferring our staff on their existing terms and conditions. If it's a shared service, then staff will remain ours working collaboratively with the other two Boroughs.</p> <p>In the case of a TUPE transfer, then Harrow will lead on this working in conjunction with Brent to ensure the necessary information is received and the implementation date is met. There are no set consultation periods as such during a TUPE transfer providing both staff and Unions are consulted and especially on proposed measures but good practice would mean we would begin consultation as early as possible. There is however strict timescales in providing the Employee Liability Information to the transferee.</p>
<p><b>Can you confirm that it would be for Harrow to offer VR if appropriate after transfer?</b></p>	<p>Needs agreeing</p>	<p>Providing this is a TUPE transfer then this will be up to Harrow as the incoming organisation. However, as part of TUPE and the commercial agreement, all three<sup>31</sup> Boroughs can decide how any redundancy costs will be covered if they are making staff redundant</p>
<p><b>Are there specific union or staff briefings that are required for your organisation?</b></p>	<p>See above – advisable as a courtesy for Harrow staff at this stage</p>	<p>As mentioned above, there are no specific consultation periods set out under TUPE but good practice suggests that we should start informal consultations with staff as soon as possible and again especially once the Cabinet report has been agreed in terms of next steps.</p>

<sup>31</sup> This question was asked when there were three organisations in discussions to create the PSS

	Harrow	Brent
<b>(Bucks only) What is the implication of performance related pay on the current team? And how do we need to consider this in planning the way forward?</b>	n/a	n/a
<b>Can you confirm the process for how people will be assimilated into, or interviewed for, jobs in the new TOM?</b>	<p>This will need agreement between the parties. Whilst the interview/selection process is relatively standard, councils are likely to have specific policies around selection criteria, ring-fencing, pay protection and job matching. The approach will need negotiating between the three<sup>32</sup> parties.</p> <p>Harrow will apply the principles of the Managing Change Policy &amp; Procedure.</p>	<p>Again, until we have the final agreement the answer to this may change but if a TUPE transfer then it will be for Harrow to decide on this. However, there are strict rules to be observed regarding TUPE transfers and reorganisation</p>
<b>It is proposed that redundancy costs are incurred by the current employing organisation for a period of up to 12 months after the creation of the shared service. Subsequent to that the costs will be incurred by the shared service as a cost and shared amongst the partners in accordance with the Inter Authority Agreement.</b>	<p>This needs to be agreed by all parties. Legal advice will be required to create the IAA.</p>	<p>This will be subject to agreement.</p>
<b>If staff are assimilated into a position in the new TOM but the salary is either higher or lower than their current post in Brent what will happen to their salaries?</b>	<p>In the case of an individual taking a role at a lower salary, they will have protection for 12 months at their current salary, followed by 12 months at 50% of the difference. This will increase the staff costs where staff apply for lower paid roles. (The wage differential is limited to 20%).</p> <p>For staff taking a higher paid role there is no impact.</p>	<p>This is subject to any pay protection terms and needs to be discussed with Harrow.</p>
<b>OTHER POINTS</b>	<p>Other areas for consideration:</p> <ul style="list-style-type: none"> <li>• Travel cost differences</li> <li>• Car parking</li> <li>• Working hours</li> <li>• Flexible working arrangements</li> </ul>	<p>It's important that the nomenclature is correct throughout the process. My view is that the timetable and briefing paper is somewhat confusing and therefore will also be to staff. Subject to final agreement at Cabinet, the timetable and</p>

<sup>32</sup> This question was asked when there were three organisations in discussions to create the PSS \$Qp2yadve.Docx

Harrow	Brent
<p>(Harrow staff up to G11 are on flexi scheme over 36 hours)</p> <ul style="list-style-type: none"> <li>• Staff on maternity and sick leave need to be included in the consultation</li> <li>• Important that HR reps meet with all staff in February<sup>33</sup> (on 1-2-1 basis) to understand individuals specific employment details (such as home working arrangements, part-time working)</li> </ul>	<p>briefing paper suggests there is an intention to TUPE staff across to Harrow and then restructure into a 'shared service', however, technically a shared service is a process alternative to TUPE so it's important that staff understand at the beginning that the proposed intention is to TUPE rather than enter into a shared service and then review, and therefore understand the implications which flow from this.</p>

<sup>33</sup> Assuming that Cabinet approve the business case in January 2016  
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## 11.5. Appendix 5: PSS Risk Register (as at 11/11/2015)

ID	Risk Category	Type	Risk Title	Date Identified	Source	Implication i.e. Time/Cost	Description (here is a risk that ...)	Owner	Likelihood	Impact	Rating	Mitigating Actions	Likelihood	Impact	Rating
1	Programme Delivery	Risk	Service Proposition	07/07/2015	RB	Specification	Different partners to the shared service have different procurement propositions, and the new service doesn't provide them all.	TB	C	3	C3	Develop a clear understanding of the services that will be provided and those that will continue to be provided by the boroughs. Ensure this is agreed by all parties	C	3	C3
2	Reputational	Risk	Partner leaving the service	07/07/2015	RB	Operational	A party to the shared service withdraws after 'go-live', leaving an oversized and relatively expensive service	TB	C	2	C2	Care needs to be taken in drafting the agreements to the shared service. Clear exit terms need agreeing up front	C	2	C2
3	Benefits	Risk	Redundancy costs	07/07/2015	RB	Cost	Redundancy costs could make business cases unachievable	TB	D	2	D2	Clear apportionment and assignment of costs needs to be discussed and agreed prior to commencement.	C	2	C2
4	Benefits	Risk	Other costs	07/07/2015	RB	Cost	Other costs are not agreed before the commencement of the service, leaving the potential for disagreement of how to reimburse parties	TB	D	4	D4	Need to be clear on the expected costs, both to set up the service and ongoing running costs.	D	4	D4
5	Resource	Risk	Staff recruitment	09/07/2015	RB	Operational	That all parties will need to be involved in the recruitment process for staff of the shared service, meaning the speed of creation of the shared service takes longer than predicted.	TB	D	4	D4	The project will need to be clear on the recruitment/appointment process and ensure all partners are able to input into it.	D	4	D4
6	Resource	Risk	Procurement strategy	09/07/2015	RB	Operational	Different procurement strategies may be required for each partner	TB	D	4	D4	In determining the activities that the service will provide, clarity will need to be given for those that are organisation specific.	D	4	D4
7		Risk	Contract Management		RB	Specification	Jane West (Interim bi-borough executive director of corporate services at Westminster City Council and the Royal Borough of Kensington and Chelsea) <b>What hasn't worked?</b> A number of contracts have been jointly entered into and some of these have not honoured the sovereignty guarantee. This has tended to arise where early contracts were held by one of the councils, with inter-authority agreements defining the relationship between the other two authorities and the contracting authority. When issues have arisen, individual councils have found they were unable to deal with contractors directly. This has been remedied for new contracts, which are being let as frameworks with each authority having its own relationship directly with the contractor	TB	B	2	B2	This needs to be considered when deciding on the new ways of working, ensuring any party can deal with the contractor.	B	2	B2
8	Resource	Risk	Organisation withdrawal	08/10/2015	RB	Cost	Should an organisation withdraw between now and 'Go-Live' then the baseline costs and future operating structure will no longer be valid. Significant reworking will be required	TB	C	1	C1	Ensure all parties are brought into the plan, agree on the future service provision and sign up to the business case.	C	1	C1
9	Cultural	Risk	Cultural change	08/10/2015	RB	Operational	A more standardised service will mean a different service being provided to directorates due to an inconsistent approach to procurement both within and across organisations	TB	C	2	C2	Work will be required to understand how procurement is provided currently, and then communications planned about changes will be planned	D	2	D2
10	Financial	Risk	IT	08/10/2015	RB	Operational	Staff in the new shared service (on Harrow systems) will not be able to access legacy systems without substantial costs.	TB	C	2	C2	Work is required to determine whether staff need to access legacy systems, and if so what workarounds are available, or how much additional cost will be suffered	C	2	C2
11	Financial	Risk	Pensions	12/10/2015	RB	Cost	The funds required to top up the pension fund significantly impact the business case and mean it becomes untenable	TB	B	2	B2	TB (from JT): if the numbers transferring are below 10 (which they will be for both Bucks and Brent) then it is treated as de minimus so we want need to worry about this issue	E	2	E2
12	Programme Delivery	Risk	Legal & Financial Reviews	13/10/2015	RB	Time	Three separate reviews by internal legal and finance teams will be required before the business case can be taken to Cabinet	TB	C	2	C2	Determine how to manage this through the different sets of legal and finance teams of each partner	C	2	C2
13	Programme Delivery	Risk	Speed of decision making	13/10/2015	RB	Time	Decisions will be required from each organisation and turned round in a timely fashion	TB	C	2	C2	Agree the project board members and the frequency of meetings. Early identification of those items that require approval or stakeholder sign-off	D	2	D2
14	Resource	Risk	CPR's	13/10/2015	RB	Operational	One set of CPR's will not be in place by the anticipated 'go-live'. This will make for confusing procurement activity in the new shared service	TB	B	4	B4	Plan an activity to review the CPR's and processes as part of the implementation project or as a first activity as business as usual	B	4	B4
15	Programme Delivery	Risk	Knowledge of services	13/10/2015	RB	Operational	Staff in the new shared service will not have relationships with at least 2 of the organisations	RB	B	4	B4	Include an activity in the communications plan for new post holders to spend time with their 'customers'	B	4	B4
16	Cultural	Risk	Process Change	13/10/2015	RB	Operational	All services in all organisations will receive a different service to that that they receive today	RB	B	4	B4	Be clear in the new processes and about who does what in the new shared service. This needs to be communicated to service areas as a whole and on an individual basis.	B	4	B4
17	Cultural	Risk	Expectation Management	11/11/2015	NM	Operational	The expectation from services (clients) will be higher than the service actually provided (either assistance or on-site presence). This could lead to significant complaints about how the service is failing.	TB	B	3	B3	Communication and engagement with the major stakeholders about the process of bedding down the new service, and be clear about the fact that the service has had significant cuts	B	3	B3



## Equality Analysis Screening Stage Blank Form – Online EA System

Department: Procurement

Lead Officer: Terry Brewer

Date: 2nd June 2016

Next review date (if applicable):

### Stage 1 Screening Data

**1. What are the objectives and expected outcomes of your proposal? Why is it needed? Make sure you highlight any proposed changes.**

A procurement and civic enterprise shared service with Harrow Council is being explored and a business case is being drafted. Harrow's Director of Commercial and Procurement is already the Head of Procurement at Brent and further team integration is being considered.

Unless it is possible to share services with other councils it is anticipated that further cost reductions of £272,000 (or 33%) will need to be found in 2016/17 (this would equate to approximately 6 posts and mean that the current procurement service would not be a viable proposition).

The outcome would be a procurement and civic enterprise shared service being led by Harrow Council. The current procurement staff would be TUPE transferred to Harrow on 1 August at the earliest. subject to the various approvals being in place.

**2. Who is affected by the proposal? Consider residents, staff and external stakeholders.**

The main group of stakeholders affected by this proposal are staff, with no impact on residents or external stakeholders.

**3.1 Could the proposal impact on people in different ways because of their equality characteristics?**

No

**3.2 Could the proposal have a disproportionate impact on some equality groups? If you answered 'Yes' please indicate which equality characteristic(s) are impacted**

No

**3.3 Would the proposal change or remove services used by vulnerable groups of people?**

No

**3.4 Does the proposal relate to an area with known inequalities?**

No

**3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?**

No

**3.6 Does the proposal relate to one of Brent's equality objectives?**

No

**Recommend this EA for Full Analysis?**

No

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**Cabinet**  
**27 June 2016**

**Report from**  
**Chief Executive**

Wards affected:  
ALL

## **Performance Report, Q4 (January - March) and out-turn 2015/16**

### **1.0 Introduction**

- 1.1 The Borough Plan for 2015-16 was agreed by Full Council in May 2015. It sets out three priorities for Brent as follows:
- Better Lives
  - Better Place
  - Better Locally
- 1.2 The Corporate Plan adds an additional internally focussed priority:
- Better Ways of Working
- 1.3 The Borough Plan is an overarching plan which sets out our vision for the borough. It is part of a suite of plans which, together with the council's Corporate Plan, departmental plans, and individual targets and appraisals, establish the golden process thread for all council activity.
- 1.4 Brent Council is launching its current Brent 2020 vision. The vision provides a strategic picture of where we would like the Council to be by 2020 and how we intend to achieve it. An exercise is currently taking place to determine performance indicators that will be aligned with our new vision and these will be ready to report from Q1 2016/17. The

Brent 2020 vision is designed to complement the Borough and Corporate Plans over the next five years.

- 1.5 The purpose of this report is to provide Cabinet with a corporate overview of performance information linked to the current priorities for Brent, to support informed decision-making, and to manage performance effectively.
- 1.6 Where measures are collected monthly by services, these are reported monthly up until the end of the reported financial quarter. Where data is as yet unavailable (normally externally sourced data), an approximate due date has been provided.
- 1.7 The performance measures included within the report represent those considered to be most relevant to tracking achievement against the four corporate priorities for Brent. Where available, quartile and benchmarking information has been used to inform target setting. Annual performance measures are reported when new performance data becomes available, normally in the March to June (Q1) report.
- 1.8 Indicators will reflect the listed lead members and directors from the previous administration with the newly assigned lead member and/or director in brackets afterwards where applicable. This will be for Q4 only with new lead members and directors being listed from Q1 2016/17 onwards.
- 1.9 Where measures have an Amber or Red RAG status, commentary is mandatory in line with the current performance framework and is included in the scorecard. For measures which have a Green RAG status, commentary is optional.
- 1.10 The performance measures included within this report represent a small subset of those measured within the council. A wider range of performance measures are tracked within each council department and by its partners.
- 1.11 Additional performance measures may be included, by exception, if performance levels highlight particular achievements to be celebrated or present risks associated with the realisation of Brent's priorities.
- 1.12 For the purposes of this report, the scorecard will reflect measures according to their functional groupings as well as main priority. For example, all measures relating to schools will be grouped together as 'Schools' as well as being part of the Better Lives suite of indicators.

- 1.13 Please note that benchmarking comparisons should be viewed in context as performance will appear to vary against different benchmarking sources. This is due to the comparator group size and relative performance (by definitions). For example, NASCIS data is nationally sourced and has a much larger comparator group with a wider range. The LAPS group is London-based with a narrower range and more susceptible to bias regarding outliers in data. We may therefore appear to perform better against one but worse against another.

## **2 Performance Summary**

- 2.1 Performance during the year on those indicators where a performance target has been set shows 38% (50) on or above target with a further 11% (14) just off target, leaving 22% (30) way off target. 29% (39) of the indicators are for contextual use (35) or submitted no returns (4).
- 2.2 Areas showing improvement are described below. Please note that a positive direction of travel is determined by performance over the financial year. Where performance has levelled off, the indicator has not been listed.

### **Schools and Education**

- 2.3 Brent schools are steadily improving in gaining Good or Outstanding judgements from OFSTED. The percentage of children attending Brent schools that are Good or Outstanding is also increasing.
- 2.4 The numbers of 16-18 year olds Not in Education, Employment and Training (NEET) has also improved (reduced) over the year. We are also out-performing other London boroughs at 2.2% against an average of 3.4% (LAPS Q3 2015/16). Please note that we use the Q3 figure as the performance from October-January in any year is a truer reflection of this age group that is NEET.

### **Housing Needs**

- 2.5 There has been significant improvement in the number of households in temporary accommodation that have been impacted by overall benefit caps (OBC). This year's outturn stands at 98 households which is just under half of the 198 households at the end of last year.

### **Children's Social Care**

- 2.6 The numbers of care leavers in Education, Employment and Training has also improved over the year. We are also out-performing other London boroughs at 75% against an average of 64% (LAPS Q4 2015/16, provisional. Please note this comparator group has 8 returns).

### **Adults' Social Care**

- 2.7 There has been steady improvement across a variety of the Adult Social Care suite of measures. The percentage of safeguarding investigations that are inconclusive has reduced from 16.5% in Q4 last year to only 7.5% in Q4 this year. Although the set target of 10% was ambitious, the service has surpassed it after Q3 and has continued to deliver better performance.
- 2.8 Performance has improved over the year for Adults with Learning Disabilities in paid employment. Further information and mitigating actions are described in paragraphs 2.23 to 2.25 below.

### **Public Realm and Highways**

- 2.9 The Council has worked closely with its contractors this year to ensure steady improvement in performance. Gullies have been kept clear at all times, especially during the winter months to ensure Brent roads did not experience any flooding due to blocked gullies.

### **Community Protection**

- 2.10 Youth Offending continues to decrease in Brent with reoffending rates dropping consistently over 2015/16 alongside the decreasing number of First Time Entrants into the Youth Justice System. Both indicators are now low risk and the number of First Time Entrants aged 10-17 is performing well at 119 against the LG Inform benchmark of 423 (2013/14 outturn).

### **Internal Business**

- 2.11 There has been significant improvement in the percentage of members' enquiries responded to within set timescales due to greater drive amongst departments to meet the corporate target of 100%. The indicator started at 90% in Q1 and reached 98% in Q4.
- 2.12 We have made significant long term improvement to Freedom of Information performance over the last two years. Although the indicator showing the timeliness of FOI responses is 93%, performance has improved by 13% in 2015/16 alone.
- 2.13 The number of deaths registered within 5 days has improved over the year from 89% in Q1 to 100% in Q4. Our average of 91% over the year exceeds the current national average of 76% (General Register Office) and the current regional average of 81% (GRO, South East England).
- 2.14 Set out below is a summary of the red indicators which includes a commentary explaining why they are off target and the actions being taken to bring performance back in line with target.

## **Children's Social Care:**

### **Percentage of looked after children with an up to date personal education plan (PEP):**

- 2.15 85% of looked after children have a PEP in place for the academic year 2015/16, the target was 100%. The 15% who do not chiefly comprise under-aged asylum seekers and are those whose PEPs take longer to put in place because of delays with age assessments.
- 2.16 PEPs should be reviewed termly and currently only 69% of PEPs were reviewed in the Spring Term 2016. A number of planned PEP review meetings did not take place in a particularly short Spring Term and were not rearranged to take place before the end of March. For some that did take place documentation was not uploaded by the school and/or social worker. However this does not mean that progress against previous targets was not reviewed and evaluated or that revised targets were not set. More PEP meetings are taking place this month and the Virtual School expects the completion rate to have significantly improved by the end of the first half of the Summer Term.
- 2.17 This target has been reported to and challenged by the Corporate Parenting Committee which will continue to monitor and expect rapid recovery/improvement.

### **Percentage of social workers on a permanent contract:**

- 2.18 With a target of 75% the service fell short on its target this year. Actual performance was 68%. However the work with TMP (Brent's newly appointed recruitment partner for social care) is underway. The campaign started at the beginning of May with the all new approach. Due to the timeframes for this it will probably not begin to deliver in any significant numbers until Q3 2016/17.

## **Schools:**

### **The number of children and young people applying for Years 7, 8, 9, 10 & 11 (ages 11-16) not offered a school place within 4 weeks:**

- 2.19 The target here is set at 0. In the year there were 2 cases. In the first case the family arrived in Brent from Iran late last year. The 16 year-old child has no English and significant special educational needs which are being properly assessed to determine a suitable placement.
- 2.20 In the second case there have been delays sourcing records from previous schools that would allow a suitable placement to be identified.

- 2.21 Please note that the target for this indicator is always zero as we aim to ensure that every child is provided with a school place within the set timescale.

**New primary school places created:**

- 2.22 A delay to one project (Wembley High) which meant completion fell just at the start of Q1 16/17 rather than Q4, means the annual target has not been achieved. However, those places have now been provided and the target year-to-date figure was exceeded if these are taken into account.
- 2.23 The Council and its Partners will continue and improve the robust management of construction contracts on site with appropriate professionals. We will also continue and improve processes to enable decisions to be made in a timely manner through the Council's governance structure to avoid or mitigate any delay that would impact performance.

**Adult Social Care:**

**The outcome of short term services: sequel to service (REABLEMENT):**

- 2.24 The year-end outturn is 64.2%, the outturn has been calculated for the 12 month period as opposed to the throughput for the month. This is the value to compare against published results.
- 2.25 The outturn figure is behind that of 2014-15's outturn of 65.6% and significantly behind the NASCIS London average for the same period (71.8%).
- 2.26 However, practice has changed to offer Reablement to those clients that will benefit from it as opposed to being a default service to most cases. Performance since January 2016 has been at 72.8% or above, which is above target.

**Proportion of adults with a learning disability in paid employment:**

- 2.27 The short and long term (SALT) return is currently being validated and changes have been made to the Learning Disabilities return. It is currently 2.9% against a target of 7.7% (bigger is better) and an improvement on last year's outturn of 1.8%. However, we are still significantly below the London average which is currently 8% (LAPS 2014/15 outturn).
- 2.28 Work is underway to focus on improving performance and the Learning Disability Team Manager is working with the Head of Employment and



Skills to develop an action plan. The work is focused on developing the job skills of people with a learning disability and improving job opportunities locally, with delivery by the end of the 2016/17 financial year. The services will jointly set some clear targets to ensure a focus on assisting with accessing employment.

- 2.29 Additional work is also ongoing to ensure that client electronic records are appropriately updated following an assessment or review.

**Proportion of adults with a learning disability who live in their own home or with their families:**

- 2.30 Although high risk, performance shows a significant improvement from last year's outturn which was 56.4%. However our performance at 69.2% is still marginally below the London average of 69.6% (LAPS 2014/15 outturn).

- 2.31 The improved outturn is as a result of the work initiated to ensure that electronic records were appropriately updated following a review. Work is ongoing to ensure that client electronic records are appropriately updated following an assessment or review.

- 2.32 As with the previous indicator, the SALT return is currently being validated.

**Proportion of people who use services that receive a direct payment:**

- 2.33 The provisional 2015/16 outturn from the SALT return is 21.5% against a target of 26.7% which is a significant improvement on last year's outturn of 16.6%. However, performance against the London average of 26.7% (LAPS outturn 2014/15) is still relatively poor.

- 2.34 A project worker has been employed to investigate Adult Social Care's offer and to recommend improvements in respect of worker practice and the development of local services. The number of community recipients is currently being investigated in an ongoing exercise.

**Delayed transfers of care from hospital attributable to adult social care, per 100,000 of population:**

- 2.35 Performance has worsened comparatively over this financial year. In 2014/15 we were at 4.1 against a London average of 2.4 (LAPS) where a smaller rate is better performance. Currently we are at 6.2 against a London average of 2.5 (LAPS).

- 2.36 A project is ongoing to identify and rectify delays that are reported to NHS England that have not been notified to the Council or which are in dispute. It is due to conclude at the end of June 2016. The project has

uncovered hospitals that make returns to NHS England without notifying the Council or where a case is in dispute, make the submission in their favour.

### **Employment and Skills:**

#### **Progression into jobs – outcomes:**

- 2.37 This is a new measure for Brent Start. A priority for the service will be to significantly improve these outcomes following the integration of employment and skills services.
- 2.38 December was the first month tracking data. Going forward we will be looking at refining the method of data collection alongside the continuing process of integration.

#### **Earnings – London Living Wage signups:**

- 2.39 Ultimately, we achieved 17 accreditations but we also had a further 15 companies awaiting accreditation.
- 2.40 A clear action plan is in place to engage employers, including schools, the voluntary and community sector (VCS), Brent's business base. We have put measures in place to improve, including resurrecting the LLW steering group; having more intensive face to face promotions; exploring promotion opportunities via Barclays bank; and working with procurement to identify leads.

### **Housing and Growth:**

#### **Number of additional and selective dwellings licensed:**

- 2.41 Applications for licences have slowed down over the last quarter although 100% of predicted selective licences have now been issued. More needs to be done in order to encourage the owners of HMOs to apply for a licence. The outturn figure for 2014/15 is different to that published last year due to a change in indicator definition.

#### **Brent Housing Partnership - average re-let time for minor voids:**

- 2.42 From July 2015 the BHP voids team, lettings team and the council's Housing Allocations have worked hard to maintain standards and deal with any blockages to be able to achieve a steady decline in the standard void turnaround time for 2015/16. Efforts by these teams have reduced standard void turnaround time by 25 days in comparison to last year's figure. Although the year-end target of 27 days was not met coming in at 30.7 days, BHP is in a much better position to deliver for the council in 2016/17. Timeliness of initial works inspections and the constraints of the Locata advertising system are some of the main concerns for 2016/17 delivery.

2.43 BHP and Brent Council are now jointly looking at lesson learned, systems and processes with a view to improve throughout 2016/17. BHP is looking at best practice in other providers to gain insight into how to further streamline the turnaround process.

**New homes securing planning permission within growth areas:**

2.44 As performance throughout the year has been entirely consistent with delivery expectations related to major regeneration schemes, no significant major permissions have been granted in this quarter. The output this quarter primarily consists of small scale conversion and change of use applications. There is likely to be a significant upturn in permission activity in the next quarter as a number of major applications are pending decision.

**New affordable housing starts (GLA data):**

2.45 In financial year 2015/16 there has been an observed slowdown in new affordable housing starts due to significant uncertainty surrounding the funding and financing of affordable housing, as well as political and cyclical factors over which the council has only limited control. In 2015/16 GLA recorded affordable housing starts across London fell 23% and across West London 37% versus 2014/15 figures. In LB Brent new starts from Registered Providers have declined as land banks have been exhausted to deliver against the 2011-15 Affordable Housing programme. Another factor has been slippage in the council-led South Kilburn Estate regeneration programme, where at least one large site anticipated to start on site in 2015/16 has not done so. More generally (and as previously commented on) the monitoring of new housing starts and completions statistics on anything shorter than an annual basis can have only the limited meaning due to 1) volatility of such statistics 2) the time it takes to develop new housing 3) the time it takes for planning, financial or policy interventions to effect new housing starts and completions figures.

2.46 Regeneration, working in partnership with the GLA, are leading on the delivery of planning and financial interventions in the Wembley and Alperton Housing Zones to accelerate delivery of 5,000 new homes by 2025. Regeneration also leads on the South Kilburn Estate programme, which is now approximately half complete, and due to deliver 2,400 new homes by 2023, of which 50% will be affordable. The South Kilburn Masterplan is currently under review.

2.47 Community Services are charged with delivering the Housing Strategy 2014-19 including the delivery of 5,000 new affordable homes, 1,000 new private rented homes and 700 new council homes by 2019. The

Housing Strategy is currently under review. Community Services also maintain the key housing partnerships with the Registered Providers who have traditionally delivered the bulk of new affordable housing supply in the borough. Community Services also clients Brent Housing Partnership in their active development programme to deliver 200 new homes through infill development on council estates between 2015-18.

**Households in non-self-contained Bed and Breakfasts (B&B) for more than 6 weeks:**

- 2.48 The overall number of households living in non-self-contained B&B has now been reduced to under 30, of whom 2 have been living in the accommodation for less than 6 weeks due to specific operational issues.

**The number of accepted homeless applications:**

- 2.49 Although the target for the outturn homelessness acceptance figure for 2015/16 was not met, there has been an overall decrease in the number of homeless households from the previous year. This bucks the London trend where homelessness acceptances are rising.

**Public Realm and Highways:**

**Number of fly tips (illegal rubbish dumping) reported on public land (large and small):**

- 2.50 Due to higher resident awareness through campaigns such as “Love Where You Live”, we are continuing to see a high number of fly tips reported across the borough. It should be noted that this does not mean that the actual number of fly tipping incidents have increased, just what is reported as fly tipping.
- 2.51 An improvement action plan approved by the scrutiny committee to reduce fly tipping (illegal rubbish dumping) has now been implemented; we are promoting the “Love Where You Live” campaign, implementing uniformed litter patrols from 13<sup>th</sup> June 2016, issuing Fixed Penalty Notices (FPNs) for littering offences and using CCTV wherever possible to identify offenders of illegal rubbish dumping and littering.

**Tonnes of municipal waste sent to landfill:**

- 2.52 There has been an increase in municipal waste tonnages since 2014, which reflects the economic recovery nationwide. In addition, there is a significant amount of new housing being constructed throughout the borough at present, with more to come. Every additional household/resident in Brent will only make meeting our target more challenging.

- 2.53 We are constantly working with Veolia and West London Waste Authority on improving communications and education, to encourage people to generate less waste (such as engaging in the Love Food Hate Waste campaign), and (where waste is unavoidable) to reuse or recycle. Both Brent and Veolia are committed to working together to bring down our tonnages if at all possible.

**Robbery Offences:**

- 2.54 London has experienced a temporary rise in Robbery offences from August 2015. The current trend from Q4 appears to be of a downward nature.
- 2.55 We will continue to work with the police in supporting initiatives and education to lower crime rates across the borough. However, this measure is not within the remit of Brent Council or the Community Protection team and therefore cannot provide actual actions to improve its performance. We will be reporting on more Community Protection specific measures from Q1 2016/17.

**Internal Business:**

**Freedom of Information:**

- 2.56 We have achieved a vast improvement in terms of handling FOI enquiries. Our response rate has consistently risen for the past 18 months and we hope to achieve our set target in 2016/17.
- 2.57 Our performance of 93% against the current London average benchmark of 87.24% (LAPS) is strong.

### **3.0 Recommendations**

- 3.1 Cabinet has been asked to:
- a. Note the performance information contained in this report and agree remedial actions as necessary.
  - b. Consider the current and future strategic risks associated with the information provided and agree remedial actions as appropriate.
  - c. Challenge progress with responsible officers as necessary.

### **4.0 Financial implications**

None.

## **5.0 Legal implications**

- 5.1 Under section 4 of the Local Government Act 2000, every local authority in England must prepare a sustainable communities strategy for promoting or improving the economic, social and environmental well-being of their area and contributing to the achievement of sustainable development in the United Kingdom. A local authority may modify its sustainable communities strategy from time to time. When preparing or modifying its strategy, a local authority must consult with and seek the participation of “each partner authority” it considers appropriate, and any other person the local authority considers appropriate. The council’s Borough Plan 2015-16 is the council’s current strategy pursuant to section 4 of the Local Government Act 2000.
- 5.2 In table 3 of part 4 of the council’s constitution, it states that the Cabinet is responsible for formulating and preparing the sustainable communities strategy and then submitting the same to Full Council for consideration and adoption or approval. The sustainable communities strategy constitutes part of the policy framework. The council’s Borough Plan for 2015-16 was agreed by Full Council in 2015.

## **6.0 Diversity implications**

- 6.1 There are no direct diversity implications. However the report includes performance measures related to the council’s diversity objectives and is part of the framework for ensuring delivery of these key outcomes.

## **7.0 Contact officer**

Peter Gadsdon, Director, Performance, Policy and Partnerships, Brent Civic Centre, Engineers Way, Wembley, Middlesex, HA9 0FJ.  
020 8937 1045

PETER GADSDON  
Director, Performance, Policy and Partnerships



**Cabinet**  
27 June 2016

**Report from the Strategic Director,  
Regeneration and Environment**

Wards affected:  
Harlesden, Kensal Green, Stonebridge,  
Tokyngton

**Old Oak and Park Royal Local Plan Consultation Response**

## 1.0 Summary

- 1.1 The Mayor of London has established the Old Oak and Park Royal Mayoral Development Corporation (MDC) to drive forward the regeneration of the Old Oak and Park Royal Opportunity Area, focussed around the proposed High Speed 2 and Crossrail interchange. The London Plan (2015) identifies Old Oak as an opportunity area with capacity for a minimum of 24,000 new homes and 55,000 new jobs, whilst Park Royal opportunity area has capacity for 1,500 new homes and 5,000 new jobs. The Old Oak and Park Royal Development Corporation (OPDC) consulted on their draft Local Plan which provides detailed planning policy for the area and sets out how the targets in the London Plan will be realised. An interim response was submitted by Brent Council, subject to Cabinet approval and any further comments. Although the Council supports the principle of regenerating the area, there are a number of significant outstanding concerns regarding the detailed policies in the Plan.

## 2.0 Recommendations

- 2.1 That Cabinet, subject to any additional amendments it considers appropriate, confirms the response to the Old Oak and Park Royal Local Plan Regulation 18 consultation as set out in Appendix A.

## 3.0 Detail

- 3.1 The Mayor of London has established the Old Oak and Park Royal Mayoral Development Corporation (MDC) to drive forward the regeneration of the Old Oak and Park Royal Opportunity Area, focussed around the proposed High Speed 2 and Crossrail interchange to be delivered at Old Oak by 2026. The London Plan (2015) identifies Old Oak as an opportunity area with capacity for a minimum of 24,000 new homes and 55,000 new jobs, whilst Park Royal opportunity area has capacity for 1,500 new homes and 5,000 new jobs.

- 3.2 The Old Oak and Park Royal Development Corporation (OPDC) consulted on their draft Local Plan until the 31<sup>st</sup> March 2016. The Plan provides detailed planning policy for the area and sets out how the targets in the London Plan will be realised. This is a first stage of consultation. Further consultation on a revised Plan will be undertaken in early 2017, with anticipated adoption late 2017. Although the Council supports the principle of regenerating the area, there are a number of significant outstanding concerns regarding the detailed policies in the Plan. An interim response was submitted to the consultation, subject to Cabinet approval. The full response is attached as Appendix A. key comments are as follows:-
- 3.3 **General** - The introduction of the Local Plan highlights the opportunity development at Old Oak presents for the local area, in terms of overcoming severance and creating employment opportunities. It is considered that in this section should also acknowledge the need for the existing community to have access to services and affordable housing within Old Oak, and for the business community to benefit from supply chain opportunities. It also needs to be acknowledged that without sufficient mitigation the development could have a detrimental impact on the local area, by placing further pressure on the transport network and social infrastructure. The Local Plan needs to be more explicit in setting out how policies will ensure the surrounding communities will integrate with, and benefit from the development at Old Oak and Park Royal, and how potential detrimental impacts will be mitigated. The OPDC mission statement should include explicit reference to supporting the existing community and businesses, not just to participate, but to actively benefit from the regeneration of Old Oak and Park Royal. The Council welcomes the production of a Socio-Economic Regeneration Strategy and Fringe Masterplan, and trusts these will inform the next version of the Local Plan.
- 3.4 **Places: Old Oak (Willesden Junction)** – Whilst the Plan does set out an approach the response sets out that further joint working is needed to set clear guidance for development in and around Willesden Junction station. The redevelopment of Willesden Junction station presents an opportunity to open up connections to the north, and ensure the existing communities and Harlesden Town Centre benefit from the regeneration of Old Oak. At present the development capacity of Willesden Junction is constrained due to the surrounding railway lines. Initial studies indicate due to the spacing of the railway lines there is scope to allow development above the lines. This has significant advantages in terms of supporting the achievement of housing and employment targets, placemaking and creating a stronger link between Old Oak High Street and Willesden Junction. The Council considers development above the railway lines is essential to optimise the potential of this area. The Council would also welcome a greater concentration of commercial premises at Willesden Junction, as part of such development.
- 3.5 In the short to medium term it is important that pedestrian and cycle walkways from Willesden Junction into Old Oak North are of the highest quality and can remain in use when new streets are built. They must therefore be of a comfortable width to accommodate both pedestrians and cyclists.
- 3.6 It is noted the Local Plan currently omits an important connection throughout from Willesden Junction to Harrow Road and Harlesden. This is not consistent with the objective of reducing severance between Old Oak and the surrounding area.



- 3.7 **Places: Park Royal** - Identifying Park Royal as one place ignores the significant variations in character across the area from large scale industrial units, smaller workshops serving SMEs, office-led development at First Central, the Central Middlesex Hospital and adjoining supported housing, and residential pockets. A more fine grained approach is therefore needed to define the distinct places within Park Royal and set appropriate policy.
- 3.8 **Grand Union Canal** - It is essential development provides a continuous walking and cycling route along the canal both to maximise the recreational opportunities the canal presents, and to improve connectivity between Old Oak, Park Royal and Alperton Growth Area.
- 3.9 **Design** - The design approach should be led by the objective of creating a sustainable community rather than density. A combination of mansion blocks and taller landmark buildings around transport interchanges would enable density to be achieved whilst on the whole ensuring development at Old Oak is of a 'human scale' with a community feel.
- 3.10 **Affordable Housing** - The approach to affordable housing can't be considered in isolation, but needs to be informed by an understanding of CIL viability. Further viability testing is therefore needed to inform the preferred option for securing affordable housing. However, Brent Council would be opposed to any option which does not indicate a target percentage for affordable housing, whether fixed or viability tested. A target is essential to provide a steer to developers, and assists in controlling speculation on land values. Given the timescales Old Oak will be delivered over, there needs to be flexibility to regularly review the approach to affordable housing to ensure levels are maximised.
- 3.11 As the Council has stated from the outset, Brent Council's support for the regeneration of Old Oak is subject to nomination rights for affordable housing for Brent residents. An implication of the regeneration at Old Oak is that it will drive up values in neighbouring areas, it is therefore crucial to mitigate this impact residents are able to access the affordable housing the development will provide.
- 3.12 **Harlesden Town Centre** - Brent Council strongly object to the proposal for a major town centre at Old Oak. Whilst a town centre is acceptable in principle this is subject to the scale not being shown to have a detrimental impact on Brent's centres. Major town centres, as defined in the London Plan and this Local Plan, have a high proportion of comparison retail and attract a much wider catchment. Such a centre would draw trade from neighbouring centres such as Harlesden, to their detriment. In addition, at present there is nothing in the plan to prevent a significant quantum of retail floorspace being brought forward in early phases to the detriment of both nearby centres and Old Oak High Street. If demand for town centre uses is taken up in early phases, Old Oak High Street will not be realised. This will result in a disjointed connection, and be to the detriment of placemaking.
- 3.13 Recognition is needed that the Retail Study has identified the development of a centre at Old Oak, will impact on Harlesden's growth and the OPDC, working with Brent Council and the Harlesden Forum, must be active in mitigating negative impacts.
- 3.14 **Social Infrastructure**- Policy SI1 suggests social infrastructure will not be secured on-site in earlier phases. To promote Lifetime Neighbourhoods and community

cohesion it is crucial social infrastructure is integrated throughout the development. Brent Council has been clear that there is not sufficient capacity to extend existing primary schools in the area to meet additional demand from Old Oak. If it is proposed that social infrastructure will be delivered off site this must be backed up by evidence that there is sufficient capacity to extend existing facilities, and that this approach is supported by providers. Failure to develop a clear strategy to meet infrastructure needs will result in further pressure on existing services in the surrounding area, and ultimately impact on the quality of life of existing and new residents in the area.

- 3.15 **Open Space** - Old Oak is within an area of open space deficiency, making it essential the Local Plan specifies the quantum of open space needed to meet the needs of the new community. The Plan currently doesn't recognise there will be a need to provide a range of open spaces in terms of size and function. It is expected the next iteration of the Plan will be informed by the finalised Green Infrastructure strategy, and address this concern.
- 3.16 **Extraction of Minerals** - Policy EU9 on Extraction of Minerals allows for shale gas fracturing ('fracking') within the OPDC area, subject to the 'consideration' of certain criteria. The process of extracting gas from the ground would result in significant detrimental impacts on local health and amenity, further worsening air quality in an existing Air Quality Management Area, and increasing noise pollution. As such, the promotion of shale gas extraction is not consistent with the promotion of Old Oak as a healthy new town, or the Local Plan objective to improve the quality of life, enhance health and well-being of communities. The Council is therefore strongly opposed to policy EU9 as worded.
- 3.17 **Transport Infrastructure** - The Council welcomes acknowledgment in the Local Plan that Willesden Junction Station should be delivered as part of the early phase of infrastructure delivery. Willesden Junction Station is a critical commuter station for Brent residents and for many years to come will be the primary public transport gateway to the Old Oak regeneration area. As such, a more detailed timescale is needed to ensure the station is upgraded as part of initial development phases.
- 3.18 The Local Plan should actively encourage improved public transport connections to Old Oak on existing and planned transport infrastructure. The Council welcomes reference to a Crossrail to West Coast Mainline link, providing additional connections to Wembley. Such a link would allow Brent to be better interconnected with the rail network, reduce time savings on travel and ease congestion at Euston.

#### **4.0 Financial Implications**

- 4.1 The Local Plan sets out proposed infrastructure priorities, and suggests potential funding sources including Community Infrastructure Levy and Section 106. The Local Plan omits costing for this infrastructure, as this is to be progressed separately through the OPDC Board of which Brent is a member.
- 4.2 The realisation of the Local Plan will result in the creation of public space and social infrastructure, which will have on-going revenue implications and details of this will need to progress through the OPDC board. The majority of infrastructure will be located in the London Borough of Hammersmith & Fulham. It is not envisaged significant infrastructure could be located in parts of the OPDC area falling within Brent, however, the response to the consultation makes it clear that boroughs need to

be closely engaged in infrastructure planning to ensure strategies are in place for on-going management and maintenance.

## **5.0 Legal Implications**

- 5.1 The Local Plan is part of the Government's Planning Policy system introduced by the Planning and Compulsory Purchase Act 2004. Part 6 of the Town and Country Planning (Local Planning) (England) Regulations 2012 sets out the procedure for producing the Local Plan. The consultation constitutes that required under regulation 18.
- 5.2 Once adopted the OPDC Local Plan, alongside the London Plan, will form the Development Plan for the OPDC area. Brent Local Plan policies will no longer apply to parts of the borough falling within the OPDC area.

## **6.0 Diversity Implications**

- 6.1 The Equality Act 2010 includes a public sector equality duty which requires public organisations and those delivering public functions to show due regard to the need to:
- Eliminate unlawful discrimination, harassment, victimisation;
  - Advance equality of opportunity; and
  - Foster good relations between communities.
- 6.2 Consequently, the Old Oak and Park Royal Development Corporation has undertaken an Integrated Impact Assessment (IIA) incorporating Equality Impact Assessment of the Local Plan, with the objective of ensuring it considers, enhances and supports equality for all. The IIA will be reviewed alongside the Local Plan.

## **7.0 Staffing/Accommodation Implications**

- 7.1 At present the staffing implications for the Council relate to officer time in attending meetings with officers in the OPDC and responding to consultations.

## **8.0 Environmental Implications**

- 8.1 An Integrated Impact Assessment (integrating Sustainability Appraisal, Strategic Environmental Assessment and Habitat Regulations Assessment) has been undertaken and informed the Local Plan.

## **9.0 Background Papers**

- 9.1 Local Plan Draft Regulation 18 Consultation (4 February 2016), Old Oak and Park Royal Development Corporation

## **Contact Officers**

Any person wishing to inspect the above papers should contact Claire Jones, Policy & Projects, 020 8937 5301

LORRAINE LANGHAM,  
Strategic Director of Regeneration & Environment



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REF: MDC/BRENT  
31ST MARCH 2016

Sir Edward Lister  
Local Plan Consultation  
Old Oak and Park Royal Development Corporation  
City Hall  
Queen's Walk  
London  
SE1 2AA

Dear Sir Edward,

## **RESPONSE TO OLD OAK AND PARK ROYAL LOCAL PLAN REGUALTION 18 CONSULTATION**

Thank you for the opportunity to comment on the Old Oak and Park Royal Local Plan. Brent Council has commented on early drafts of the Local Plan, and notes considerable progress has been made in its development. However, a number of significant outstanding concerns remain. The Council's key areas of concern are summarised below and a detailed response attached as an appendix. This response is interim, subject to consideration by Cabinet.

### **General**

The introduction of the Local Plan highlights the opportunity development at Old Oak presents for the local area, in terms of overcoming severance and creating employment opportunities. This section should also acknowledge the need for the existing community to have access to services and affordable housing within Old Oak, and for the business community to benefit from supply chain opportunities. It also needs to be acknowledged that without sufficient mitigation and integration the development could have a detrimental impact on the local area, by placing further pressure on the transport network and social infrastructure. The Local Plan needs to be more explicit in setting out how policies will ensure the surrounding communities will integrate with, and benefit from the development at Old Oak and Park Royal, and how potential detrimental impacts will be mitigated. The OPDC mission statement should include explicit reference to supporting the existing community and businesses, not just to participate, but to actively benefit from the regeneration of Old Oak and Park Royal. The Council welcomes the production of a Socio-Economic Regeneration Strategy and Fringe Masterplan, and trusts these will inform the next version of the Local Plan.

## **Places: Old Oak (Willesden Junction)**

Further joint working is needed to set clear guidance for development in and around Willesden Junction station. The redevelopment of Willesden Junction station presents an opportunity to open up connections to the north, and ensure the existing communities and Harlesden Town Centre benefit from the regeneration of Old Oak. At present the development capacity of Willesden Junction is constrained due to the surrounding railway lines. Initial studies indicate due to the spacing of the railway lines there is scope to allow development above the lines. This has significant advantages in terms of supporting the achievement of housing and employment targets, placemaking and creating a stronger link between Old Oak High Street and Willesden Junction. The Council considers development above the railway lines is essential to optimise the potential of this area, and enable commercial development around the station.

In the short to medium term it is important that pedestrian and cycle walkways from Willesden Junction into Old Oak North are of the highest quality and can remain in use when new streets are built. They must therefore be of a comfortable width to accommodate both pedestrians and cyclists.

It is noted the Local Plan currently omits an important connection throughout from Willesden Junction to Harrow Road and Harlesden. This is not consistent with the objective of reducing severance between Old Oak and the surrounding area.

## **Places: Park Royal**

Identifying Park Royal as one place ignores the significant variations in character across the area from large scale industrial units, smaller workshops serving SMEs, office-led development at First Central, the Central Middlesex Hospital and adjoining supported housing, and residential pockets. A more fine grained approach is therefore needed to define the distinct places within Park Royal and set appropriate policy.

## **Design**

The design approach should be led by the objective of creating a sustainable community rather than density. A combination of mansion blocks and taller landmark buildings around transport interchanges would enable density to be achieved whilst on the whole ensuring development at Old Oak is of a 'human scale' with a community feel.

It is noted the majority of the studies which will inform the design chapter are still in development. We would expect the next version of the Local Plan to be informed by these studies and be more specific to the local context.

## **Affordable Housing**

The approach to affordable housing can't be considered in isolation, but needs to be informed by an understanding of CIL viability. Further viability testing is therefore needed to inform the preferred option for securing affordable housing. However, Brent Council would be opposed to any option which does not indicate a target percentage for affordable housing, whether fixed or viability tested. A target is essential to provide a steer to developers, and assists in controlling speculation on land values. Given the timescales Old Oak will be delivered over, there needs to be flexibility to regularly review the approach to affordable housing to ensure levels are maximised.

As the Council has stated from the outset, Brent Council's support for the regeneration of Old Oak is subject to nomination rights for affordable housing for Brent residents. An implication of the regeneration at Old Oak is that it will drive up values in neighbouring areas, it is therefore crucial to mitigate this impact residents are able to access the affordable housing the development will provide.

### **Harlesden Town Centre**

Brent Council strongly object to the proposal for a major town centre at Old Oak. Whilst a town centre is acceptable in principle this is subject to the scale not being shown to have a detrimental impact on Brent's centres. Major town centres, as defined in the London Plan and this Local Plan, have a high proportion of comparison retail and attract a much wider catchment. Such a centre would draw trade from neighbouring centres such as Harlesden, to their detriment. In addition, at present there is nothing in the plan to prevent a significant quantum of retail floorspace being brought forward in early phases to the detriment of both nearby centres and Old Oak High Street. If demand for town centre uses is taken up in early phases, Old Oak High Street will not be realised. This will result in a disjointed connection, and be to the detriment of placemaking.

Recognition is needed that the Retail Study has identified the development of a centre at Old Oak, will impact on Harlesden's growth and the OPDC, working with Brent Council and the Harlesden Forum, must be active in mitigating negative impacts.

### **Social Infrastructure**

Policy S11 suggests social infrastructure will not be secured on-site in earlier phases. To promote Lifetime Neighbourhoods and community cohesion it is crucial social infrastructure is integrated throughout the development. Brent Council has been clear that there is not sufficient capacity to extend existing primary schools in the area to meet additional demand from Old Oak. If it is proposed that social infrastructure will be delivered off site this must be backed up by evidence that there is sufficient capacity to extend existing facilities, and that this approach is supported by providers. Failure to develop a clear strategy to meet infrastructure needs will result in further pressure on existing services in the surrounding area, and ultimately impact on the quality of life of existing and new residents in the area.

### **Open Space**

Old Oak is within an area of open space deficiency, making it essential the Local Plan specifies the quantum of open space needed to meet the needs of the new community. The Plan currently doesn't recognise there will be a need to provide a range of open spaces in terms of size and function. It is expected the next version of the Plan will be informed by the finalised Green Infrastructure strategy, and address this concern.

### **Extraction of Minerals**

Policy EU9 on Extraction of Minerals allows for shale gas fracturing ('fracking') within the OPDC area, subject to the 'consideration' of certain criteria. The process of extracting gas from the ground would result in significant detrimental impacts on local health and amenity, further worsening air quality in an existing Air Quality Management Area, and increasing noise pollution. As such, the promotion of shale gas extraction is not consistent with the promotion of Old Oak as a healthy new town, or the Local Plan objective to improve the quality of life, enhance health and well-being of communities. The Council is therefore strongly opposed to policy EU9 as worded.

## **Transport Infrastructure**

The Council welcomes acknowledgment in the Local Plan that Willesden Junction Station should be delivered as part of the early phase of infrastructure delivery. Willesden Junction Station is a critical commuter station for Brent residents and for many years to come will be the primary public transport gateway to the Old Oak regeneration area. As such, a more detailed timescale is needed to ensure the station is upgraded as part of initial development phases.

The Local Plan should actively encourage improved public transport connections to Old Oak on existing and planned transport infrastructure. The Council welcomes reference to a Crossrail to West Coast Mainline link, providing additional connections to Wembley. Such a link would allow Brent to be better interconnected with the rail network, reduce time savings on travel and ease congestion at Euston.

Brent Council hopes to continue to work positively with the Development Corporation to ensure the next version of the Local Plan fully addresses our outstanding comments, to ensure the best outcomes are secured for the surrounding communities.

Yours sincerely,

Cllr Muhammed Butt  
Leader of the Council

CC: Carolyn Downs, Chief Executive  
Lorraine Langham, Strategic Director Regeneration and Environment  
Aktar Choudhury, Operational Director Regeneration



## Appendix

Question Para/Figure/ No.	Comments
<b>Introduction</b>	
1.34	The introduction of the Local Plan highlights the opportunity development at Old Oak presents for the local area, in terms of overcoming severance and creating employment opportunities. This section should also acknowledge the need for the existing community to have access to services and affordable housing within Old Oak, and for the business community to benefit from supply chain opportunities. It also needs to be acknowledged that without sufficient mitigation the development could have a detrimental impact on the local area, by placing further pressure on the transport network and social infrastructure. The Local Plan in general needs to be more explicit in setting out how policies will ensure the surrounding communities will integrate with, and benefit from the development at Old Oak and Park Royal, and how potential detrimental impacts will be mitigated. The Council welcomes the production of a Socio-Economic Regeneration Strategy and Fringe Masterplan, and trusts these will inform the next iteration of the Local Plan.
Figure 8	The key omits reference to Ealing Town Centre.
<b>Spatial Vision &amp; Objectives</b>	
QVO2	<p>It would be beneficial for the mission statement to include reference to achieving the '<i>highest standards of design and sustainability</i>', to be consistent with the wider objectives of the Local Plan.</p> <p>The mission statement should include explicit reference to supporting the existing community and businesses, not just to participate, but to actively benefit from the regeneration of Old Oak and Park Royal.</p>
Figure 10	The boundary for Old Oak High Street included in the key diagram encompasses a significant area. Brent Council is concerned such a high quantum of town centre uses will have a detrimental impact on the viability of Harlesden Town Centre. In addition, it is questioned if there is sufficient demand to support commercial uses over such an extended area, or if this will result in vacant units. The need for a more focussed town centre is discussed further in relation to the town centre chapter.
QVO3	Reference to the need to fully connect to the surrounding area is welcomed. The objective should refer specifically to the need to redevelop Willesden Junction station, as this is critical to linking Old Oak to communities to the north, including Harlesden and Stonebridge.
Figure 13	It would be beneficial for the land use diagram to include proposed locations of open space.
3.18	Typo – <i>new and improved connections</i> .
OSP3	Given that, as acknowledged, creating strong connections will be fundamental to the successful regeneration of the area; it is considered the current policy wording is not sufficiently strong. The wording ' <i>OPDC will support proposals</i> ' should be strengthened to ' <i>proposals will be required to deliver</i> .' The policy should require connections to be delivered at the earliest stage to enable development.
Figure 16	Figure 16 omits a number of key connections, including the connection to Park Royal station and to Harrow Road via Willesden Junction. As acknowledged elsewhere in the Local Plan, it is crucial to improve links to Park Royal station

	to promote the use of public transport and take pressure off the road network in Park Royal. In addition, if residents in Harlesden are to benefit from the regeneration of Old Oak, the current connection between the station and Harrow Road, and on to Harlesden High Street needs significant improvement. This is recognised in the adopted Opportunity Area Planning Framework
OSP4	Supporting text should provide clarification as to what is meant by ‘ <i>key destinations</i> ’ and ‘ <i>contribute to placemaking</i> ’ as this is open to interpretation.
Figure 18 & 3.23	It is stated that to achieve the housing target for Old Oak, development will need to exceed the standards in the London Plan’s density matrix. However, an alternative option which needs to be fully explored is the scope to optimise development by bridging over the West Coast Mainline to enable the comprehensive development of Willesden Junction. At present the development capacity of Willesden Junction is constrained due to the surrounding railway lines. Initial studies indicate due to the spacing of the railway lines there is scope to allow development above the lines. This has significant additional advantages in terms of placemaking and creating a stronger link between Old Oak High Street and Willesden Junction.
OSP5	The policy wording ‘ <i>proposals over a certain size will be encouraged to submit a meanwhile strategy</i> ’ is considered too vague. In accordance with paragraph 3.30 it should be a requirement for developers to submit a meanwhile strategy. It is Brent’s experience that even major developments at the smaller end of the scale, present opportunities for meanwhile use. It is therefore strongly recommended all major developments should be required to provide a strategy, with the level of detail in the strategy being proportionate to the scale of development.
The Places	
4.24	Should state railway lines to the ‘ <i>east with Scrubs Lane beyond</i> ’, rather than west.
4.26	Typo – ‘ <i>a mix of town centre and catalyst uses,</i> ’ rather than ‘ <i>a mix of town centres.</i> ’
4.28	The vision needs to emphasise the retail offer in Old Oak North is to serve the new population, and make specific reference to complementing the offer at Harlesden Town centre.
Figure 29	<p>Further detailed work is needed to resolve the indicative layout of development around Willesden Junction station, as currently this is unclear. At present figure 18 and supporting text indicate there will be taller elements of the development to the south of Willesden Junction station, but this is not reflected in figure 29 which identifies this location as a pedestrian route. It is not clear from figure 29 where development could be accommodated. Further detailed discussions are needed with Brent Council, the OPDC and Harlesden Neighbourhood Forum to identify a stronger vision for this area. As discussed, a more ambitious option incorporating further bridging over the West Coast Mainline, would result in a more comprehensive scheme which could accommodate a higher level of development and improve connectivity. This will also improve safety and natural surveillance as streets overlooked by buildings are much safer than pedestrian walkways which have few escape routes.</p> <p>In the short to medium term it is important that pedestrian and cycle walkways from Willesden Junction into the Old Oak site are sustainable and can remain in use when the new streets are built. They should therefore be of</p>

	<p>the highest quality, well landscaped with good lighting, permeable surfaces, SUDS, seating and a comfortable width space to accommodate pedestrians and cyclists. There should be plenty of connections to the local area offering escape routes rather than long stretches of walkway which feel unsafe. The New York High Line and East London's Greenway are good examples which should be used as benchmarks for all routes.</p> <p>Figure 29 suggests there will be no pedestrian links from Willesden Junction to the east towards Harrow Road, Harlesden and Kensal. It is assumed this is an omission and there should be a route highlighted above the white dashed line.</p> <p>It's assumed the boundary to the north of Willesden Junction is identified as a sensitive edge but this is not clear in the figure.</p>
P2	<p>Transport - In addition to facilitating an enhanced Willesden Junction station, as set out above, development should be required to improve connections to the station both in the short, medium and long term. The policy should also require development to facilitate the delivery of bus, cycle and pedestrian routes throughout the development. This will be essential to ensure Old Oak is well connected to the surrounding area.</p> <p>Open Space - Old Oak is within an area of open space deficiency; therefore it is essential the policy specifies the quantum of open space needed to provide sufficient access to the new community. The provision of sufficient open space will be a key component of place making.</p>
4.38	<p>Brent Council supports the aspiration for the new bridge over the West Coast Mainline to be vehicular. A bus route would provide benefits in terms of linking Old Oak to the surrounding area, and ensuring communities on the fringe of Old Oak benefit from the regeneration. It also has advantages in terms of placemaking and creating a safe and well used route. It is not necessary to state in a policy document delivery of a vehicular bridge will be challenging. Given the scale of infrastructure needed to bring forward Old Oak and the significant shift from industrial to residential, the development as a whole presents challenges.</p>
QP2d	<p>The scale of the open space should be informed by the emerging Green Infrastructure Study. Subject to the findings of the study, Brent Council is of the view that as the north of Old Oak is currently deficient in open space, a large space is required to address need. Larger open spaces allow for a wider range of recreational and sporting activities, and thus promote both mental and physical health and well-being. The majority of residential development is to be located to the north of Old Oak, over 500m from Wormwood Scrubs the closest significant open space. Wormwood Scrubs is remote from parts of Old Oak and Park Royal and isolated by a railway line. So it is questionable whether this existing green area can be counted as providing open space within the proposed development area.</p>
QP2e	<p>It is essential development provides a continuous walking and cycling route along the canal both to maximise the recreational opportunities the canal presents, and to improve connectivity between Old Oak, Park Royal and Alperton Growth Area.</p>
QP2f	<p>As discussed above the option of bridging over the West Coast Mainline would significantly increase the development capacity of the area.</p>
QP2h	<p>Heritage assets in Old Oak North. Brent Council supports the Local Listing of Car Giant, 44-45 Hythe Rd, London NW10 6RJ (the former Rolls-Royce</p>

	Motors building of 1939). The building is significant to the history of the area and has architectural importance with its Art Deco design – brickwork, stone columns, feature panels and original metal framed windows.
4.49	For clarity the vision should state ' <i>linking Harlesden via Willesden Junction to Old Oak Common Station.</i> '
4.50	<p>Brent Council objects to the designation of Old Oak as a major centre. The reason for the objection will be covered in detail under comments on the Town Centre chapter.</p> <p>Reference to town centre uses drawing people to the OPDC area from afar is at odds with the recommendations of the Retail and Leisure Needs Study. To ensure the development of Old Oak town centre is not to the detriment of the existing town centre hierarchy the retail offer is to be of a scale and offer to serve the new community. This needs to be clarified here.</p>
P3	The policy refers to a 'significant quantum' of A-class uses. This is open to interpretation. For example it could suggest a scale of retail development akin to a new Westfield shopping centre. For clarity the policy should cross reference the level of floorspace identified in the Retail and Leisure Needs study. To accord with the London Plan the policy should also include specific reference to maintaining the existing town centre hierarchy.
QP3b	<p>The character areas identified assist in establishing the differing functions of each part of the high street. However, Old Oak High Street covers a significant area, being approximately half the length of Oxford Street. Brent Council is concerned, in the context of increased online spending and a projected decline in retail floorspace demand, that there will be insufficient market demand for commercial uses to extent the length of the high street. The implication could be blank frontage, which will impact on connectivity and the quality of environment between Willesden Junction and Old Oak. A more detailed study of character areas within the high street needs to be undertaken to consider:</p> <ul style="list-style-type: none"> <li>• Given the timescales for development and changing shopping behaviour, what is the potential future role of the high street?</li> <li>• Grand Union Street and Grand Union Canal – will there be sufficient demand for these streets to comprise secondary frontage?</li> <li>• Is it realistic for active frontage to extend along the length of the canal or could this be interspersed with residential ground floor uses?</li> <li>• Should demand change, how will the Local Plan enable flexibility?</li> </ul>
P4	<p>The Council suggests that one canalside space be defined as an urban square with hard surfaces and active retail/cafe uses, potentially where Old Oak High Street crosses Grand Union Canal. Other canalside spaces, including one or two marinas with new basins could be created, these should be defined as green open spaces surrounded by residential buildings. There would be potential to link surface water Sustainable Urban Drainage Systems (SUDS) schemes into the canal at these points and enhance habitat creation opportunities. The Council supports the promotion of moorings.</p> <p>The towpath of the Grand Union Canal will become very busy with potential for conflict between boaters, anglers, cyclists, pedestrians, dog walkers and adjacent new residential occupiers. Potential for additional parallel routes needs to be explored at initial design stages and possible routes on the offside of canal.</p>

4.74	<p>This sentence seems out of context. Is it referring to the extant permission? <i>'At the western edge, the former Twyford Tip site benefits from an implemented planning permission.'</i></p> <p>Reference is included to Central Middlesex Hospital being within Park Royal neighbourhood centre. The neighbourhood centre designation relates to land within Ealing and currently does not include the hospital. Is the proposal to amend the designation to include the hospital?</p>
P5	<p>Identifying Park Royal as one place ignores the significant variations in character across the area. The character of Park Royal varies significantly from large scale industrial units, smaller workshops serving SMEs, office-led development at First Central, the Central Middlesex Hospital and adjoining supported housing, and residential pockets. A more fine grained approach is therefore needed to define the distinct places within Park Royal. The Park Royal Atlas should be a starting point to identifying the character across the area.</p> <p>Open Space - Park Royal is currently a dense built form of industrial buildings with pockets of residential development. The resulting area lacks open (green and urban) spaces. A solution might be to draw 400m walking distance radii from each of the residential areas. The intersection of these radii would determine the most appropriate areas for 'places' whether they are green or urban squares. The London Plan provides guidance on size of open spaces but the 0.4 km radius catchment area for local parks and 1.2 km catchment for larger parks has become the rule-of-thumb for assessing the distribution of open spaces in urban areas. The standard of 0.2 ha minimum local park size is also widely used (Chesterfield (2002:19).</p> <p>Connecting routes and opportunities for activity - Residential developments in Park Royal is poorly connected to Old Oak. Development should seek to connect residential areas and tube stations in Park Royal though improved streets with mixed use frontage to ensure daytime and night-time activity, making areas feel safer at all times of the day as well as creating an improved community environment. This commercial frontage could take the form of facilities serving workers, such as the cafes and restaurants which already exist in Park Royal, or ancillary outlets form the existing food and beverage industries within Park Royal. The retail/ leisure park at Park Royal is also an opportunity for redevelopment as an improved mixed use commercial centre and quality place.</p> <p>Amenity impacts – in identifying locations for employment uses the Plan should seek to address the impact on amenity of existing residents. For example by seeking to locate light industry closer to residential than heavy. Businesses requiring the use of large articulated vehicles should be located closer to the main arterial roads rather than on narrower streets as this causes congestion. In assessing impact on amenity consideration should be given to the odour from food industry places, which causes a nuisance to residential properties.</p> <p>Permeability - The railway lines create severance between Park Royal and the north and the surrounding tube stations. Increased connections across the railway are needed to reduce reliance on the car and increase walking and cycling.</p>

	<p>Proposed town centre - The 'town centre' for Park Royal is proposed to be on the current Asda site. However, this area does not receive significant footfall and access is largely dependant on private car. As highlighted above it would be preferable for commercial uses to extend along transport routes toward transport interchanges. These areas attract higher footfall and have the advantage of improving feelings of safety by activating the street. There is a need for smaller units offering community and town centre uses.</p> <p>Leegate Shopping Centre in Lewisham could be considered as an example of a redevelopment of a large supermarket. The scheme includes smaller retail units and car parking on the ground floor, a podium level garden above the car parking level. Although the Lewisham scheme includes residential within the Park Royal context consideration could be given to a redevelopment including commercial uses.</p>
Figure 39	The key includes public civic spaces, but these spaces are not highlighted on the figure.
QP5b	Reference is made to delivering workspace for small and micro businesses around stations. It would be beneficial for the Plan to identify these locations as smaller scale places.
QP5d	Brent Council supports the modification to the Strategic Industrial Location boundary providing an appropriate buffer is provided in proximity to residential uses.
Figure 44	A clear boundary for Park Royal centre is needed. It is unclear if it is proposed the centre is inclusive of Central Middlesex Hospital.
QP6b	The option of restricting residential development within the town centre is dependant on the extent of the proposed town centre boundary. Extra care units which benefit from proximity to Central Middlesex Hospital are located off Victoria Road. Therefore a policy to retrospectively restrict supported accommodation in this area would not be implementable or supported by Brent Council.
QP6c	Historically larger employers provided facilities such as crèches, gyms and community centres. As this is no longer the case these facilities need to be integrated into the town centre. In particular the provision of affordable childcare is a significant barrier to access to the workplace. The Local Plan should promote provision of crèche facilities within the centre.
<b>Sustainable Development</b>	
SDI	The policy applies to sustainable development in the sense of the presumption in favour of sustainable development as set out in the NPPF, rather than the common interpretation which is environmental sustainability. For clarity it would be beneficial to highlight policies related to environmental sustainability are included in the Environment & Utilities chapter.
<b>Design</b>	
General	<p>It is noted the majority of the studies which will inform the design chapter are still in development. We would expect the next iteration of the Local Plan to be informed by these studies and be more specific to the local context.</p> <p>There is opportunity to create a community which is more about 'streets and places' rather than high density development. It is debated that a return to perimeter mansion blocks (8-12 storeys maximum) creates this community feel rather than clusters of tall buildings (&gt;30m) currently being developed in</p>

	<p>Nine Elms, London. The tallest mansion blocks could be located on the main routes throughout the site, reducing in size along secondary routes and reducing again next to sensitive areas such as existing terrace housing along the boundaries of the development site. There is the possibility for landmark (taller) buildings around transport interchanges which would comply with the London Plan, but on the whole development should be lower scale (yet still high density) across the site to encourage the 'human scale' community feel. This could be achieved with maisonettes or townhouses on the ground floor (with their own front doors on the street) and flats above. This should be interspersed with commercial activity at appropriate locations to encourage community spirit and vitality on the street at all times of the day.</p> <p>Building materials should be high quality and natural such as brick and stone. Non-traditional materials such as rain screen cladding should be kept to a minimum for example as accents on a building which complement the dominant building material. Design codes should be developed alongside the masterplan to ensure that there is a cohesive design for the whole area for example same materials and street furniture used throughout the public realm as well as materials for the buildings themselves. Different architects should be employed for each site to create variety in the streetscape.</p>
D1	<p>For the policy to be locally specific it would be helpful for supporting text to highlight the positive elements of the existing area, such as the canal, former Cumberland Park Factory, Rolls Royce building and other heritage assets.</p>
D2	<p>Improved public realm is very important for the existing environment as well as the new Old Oak development. Design codes should be drawn up as well as masterplans to ensure the whole area has a cohesive public realm scheme, with coordinated street furniture, wayfinding and paving throughout. This will unify the old and new.</p> <p>Within Park Royal pavements need to be widened to meet inclusive mobility standards and enable tree planting. Public realm improvements are needed around Harlesden and Stonebridge Park stations, including wayfinding and lighting, to improve connections and ensure existing residents benefit from the regeneration.</p> <p>To accord within the London Plan policy 5.10, policy D2 should include a requirement for streets and public realm to incorporate urban greening, and where appropriate SUDS.</p> <p>It is also good practice for streets to be designed to promote the use of sustainable modes of transport, and reduce the dominance of private vehicles. Given the pressures on the existing road network at Park Royal this is particularly relevant in the Local Plan area, and additional criteria should be included in the policy.</p> <p>With a large amount of new public realm and landscaping proposed, the borough councils will need a maintenance dowry to look after this in future years. The councils may not have sufficient resources to adopt new landscaping.</p>
QD2a	<p>It is not clear which figure this question refers to. If it is in reference to Figure 16 this omits a number of key connections, including the connections to Park Royal station and Harrow Road via Willesden Junction.</p>

6.25	The All London green Grid Area Frameworks are also relevant, which provide a more detailed assessment of opportunities for green infrastructure at a regional level.
D3	<p>A lot is said about ‘Green Infrastructure’ yet very little about actual open spaces, parks, squares, amenity space. Within development areas we need clearly defined public open spaces of well-defined shape, urban squares, public garden squares, small pocket parks, medium sized local parks and one large district park. These should be provided in addition to any network of linear spaces along railway lines and Grand Union Canal. The Places Chapter includes indicative locations for open space which are liable to change as development comes forward. To ensure sufficient open space is delivered to address need it is essential the Local Plan also identifies the quantum of space to be delivered within indicative locations.</p> <p>Further clarity is needed on what is meant by temporary public open space. It must be clear that this is not a substitute for permanent open space.</p> <p>To be consistent with the All London Green Grid the policy should state the canal will be enhanced as a biodiverse corridor.</p>
Figure 64	<p>To ensure the development will not result in open space deficiency, this figure should be informed by the open space benchmarks in table 7.2 of the London Plan, which identifies a suitable buffer zone based on the categorisation of open space.</p> <p>Figure 64 should distinguish between open green space and civic space.</p> <p>The canal does not appear to be identified as an open space in the figure.</p>
QD3a	As stated above the policy currently doesn’t recognise there will be a need to provide a range of open spaces in terms of size and function. The Plan should define the forms of open space to be delivered in line with the London Plan categorisation. E.g. district park, local park, small open space, pocket park or linear open space.
QD3b	There needs to be an appropriate balance between private and public open space. It is of concern that at present the Local Plan includes no reference to amenity space standards. Given the density of development proposed amenity space will be crucial to ensure development provides suitable amenity and quality of life.
D4	<p>To strengthen policy, suggest amending wording to ‘<i>be mindful of their surrounding context and seek to <u>improve the character and quality of the area.</u></i>’ This is consistent with the NPPF.</p> <p>London Plan policy 7.7 contains a more extensive range of criteria to be considered in assessing applications for tall buildings. Although it is not necessary to repeat in this policy it would be beneficial to cross-reference here or in the supporting text.</p>
Figure 70	<p>Roundwood Park and King Edward VII recreation ground should be highlighted as public open space.</p> <p>Omits Green Man Public House, High Road, W10 and 842 Harrow Road which are Grade II listed. In addition Kensal Green Cemetery is a Grade I Listed Park &amp; Garden, whilst Roundwood Park is a Grade II listed Park &amp; Garden.</p>



QD4a	It would be beneficial to set out the information applicants proposing tall buildings will be required to provide to assist in determining planning applicants. For example wind, daylight and sunlight studies. Given that such studies are essential to determining the suitability of any design they should be required from the outset and inform pre-application discussions.
D5	<p>Suggest small amendment to part B i) to '<i>relate sympathetically to the upper parts of the building, <u>adjoining properties</u> and the part of the shop front to be retained.</i>'</p> <p>It would also be beneficial for the policy to include an additional point around servicing and security features integrating with and complementing the building.</p>
D6	<p>The Council supports policy D6 and the principle of conserving and enhancing heritage assets. The Council would like to highlight the Grand Junction Arms Public House on Acton Lane as a heritage asset, which should be locally listed. Elements of the building date from the original Grand Junction Railway Inn beer house of 1861. It was updated in the inter-war period with a new façade and features a central pediment and green glazed blocks. It is a landmark building.</p> <p>Other buildings that should be Locally Listed include:</p> <p>Stonebridge Station - The line serving the station was opened by the London and North Western Railway as part of their 'New Line' project on 15 June 1912 and was first used by Bakerloo line trains on 16 April 1917. Intact. Pretty pavilion-type building in red bricks with stone dressings and window surrounds.</p> <p>Willesden Junction Railway Station - The 'Willesden New Station' or Low-Level station on the Watford DC Line was opened in 1910. Simple pavilion building in red brick, stone dressings and slate roof. Decorative bracketed canopy to entrance.</p> <p>Kolak Snackfood Ltd, 308-310 Elveden Road – two symmetrical industrial buildings from the inter-war period. Nicely detailed, Art Deco in style, the front entrance blocks (only) with streamlined windows and flag poles contribute to the streetscene.</p> <p>In addition, the Council would support the extension or introduction of a conservation area to encompass the remainder of the Grand Union Canal. This should also take in the Grand Junction Arms and the road bridge as they both form part of the history of the canal side setting.</p>
QD6a	Brent Council supports the designation of the Cumberland Factory Conservation Area. The former Cumberland Factory buildings are an important legacy of the industrial heritage of Old Oak, and contribute positively to the character of the area. As demonstrated by the Kings Cross Granary Square development, the retention of such industrial buildings can contribute to creating a sense of place and support successful regeneration.
D7	High density development can present particular challenges in terms of microclimate, wind turbulence and overshadowing, which can impact on the usability of amenity and open space. Therefore Policy D7 should include an additional criteria stating amenity and open space provided as part of developments must provide a usable and comfortable environment.
6.72	Lifetime Homes has now been superseded by Building Regulations requirement

	M4 (2) 'accessible and adaptable dwellings'.
Housing	
General	<p>The chapter omits reference to temporary accommodation to meet a statutory need.</p> <p>The next iteration of the Plan needs to consider the implications of the Housing &amp; Planning Bill, particularly starter homes.</p>
7.5	Text is missing from the end of the paragraph.
QH2b & c	The Council questions on what basis it is suggested development of First Central site within Park Royal would not come forward until 2022 and 2037. Initial phases of office and residential development have already been delivered on the First Central site, and the infrastructure needed to support further development is not of the scale of that needed in Old Oak. In addition it is not constrained by the delivery of Old Oak Common Station. Further development could therefore reasonably come forward in the period 2017 to 2021. This would also assist in the OPDC five year deliverable housing supply.
QH2d	As set out in previous comments there is scope to optimise development by bridging over the West Coast Mainline to enable the comprehensive development of Willesden Junction
H3	The need for a high proportion of family housing is reflective of the findings of the Brent Strategic Housing Market Assessment. It is noted this brings challenges in high density developments, related to affordability and purchaser preferences for a house with a private garden.
H4	<p>Further viability work is needed to ascertain which option best enables the delivery of 48% affordable housing, the level of need identified in the OPDC Strategic Housing Market Assessment. The approach to affordable housing can't be considered in isolation, but needs to be informed by an understanding of CIL viability. In addition, the full implications of the Planning and Housing Bill, in particular the introduction of Starter Homes will need to be understood. The Council wishes to be engaged in discussions as to the preferred option further once further detailed work is available.</p> <p>Brent Council would be opposed to an option which does not indicate a target percentage for affordable housing, whether fixed or viability tested. A target is essential to provide a steer to developers, and assists in controlling speculation on land values. On this basis it is considered option 4 is the least suitable. Option 2 will discourage mixed communities, and therefore is not considered consistent with wider policy objectives.</p> <p>In addition to the options outlined, the OPDC should explore the use of the 'flexi-rent' model, whereby the Affordable Housing provision for individual sites can be reviewed and adjusted, on an open book basis over time, in order to optimise the Affordable Housing whilst protecting the scheme's viability. The policy should also set clear guidance on the social to intermediate housing split, informed by the Strategic Housing Market Assessment. In the Brent context a target of 60:40 social intermediate split has been applied, which is more reflective of local housing needs than the London Plan target of 70:30.</p> <p>Given the timescales Old Oak will be delivered over, there needs to be flexibility to regularly review the approach to affordable housing to ensure levels are maximised.</p>

	As the Council has stated from the outset, Brent Council's support for the regeneration of Old Oak is subject to nomination rights for affordable housing for Brent residents. An implication of the regeneration at Old Oak is that it will drive up values in neighbouring areas, it is therefore crucial to mitigate this impact residents are able to access the affordable housing the development will provide.
H6	Supporting text to the policy needs to clarify what is meant by an appropriate location for Private Rented Sector (PRS). In the interests of creating a mixed and balanced community Brent Council's preference is for PRS to be distributed across Old Oak rather than concentrated in one location.
7.55	Encouraging developers to offer deposit saving PRS options is an interesting concept, however, it is not clear how policy H6 will ensure this is achieved. Suggest encouragement is incorporated into policy wording.
QH10a	To ensure the delivery of student housing does not compromise local housing needs a target should be identified. In addition, the policy should define what would constitute an overconcentration of student accommodation. For example the Wembley Area Action Plan set the cap of 20% of projected population growth over the plan period. This was informed by the point at which provision would impact on achieving targets for conventional housing, and also regard for the population mix.
<b>Employment</b>	
QE1a	In seeking to attract new businesses to the area the OPDC should have regard to the LEP Jobs and Growth Plan, which highlights the opportunity for clusters of creative, tech and digital industries in Park Royal.
E2	Policy E2 states a range of flexible open workspace typologies should be provided in locations identified in the Places Chapter, however, with the exception of Old Oak Station the Places Chapter does not identify locations for these uses. To ensure flexible open workspace is secured, and help mitigate the impact of the significant loss of employment land, the Local Plan needs to be more specific as to where these will be delivered. Within Old Oak North open workspace suitable for SMEs should be secured at Willesden Junction Station and Cumberland Park Factory.
Alternative Policy Option	<p>From the wording of E2 it is not clear that the intention is to focus BI (a) uses in and around Old Oak Common station and BI (b) and BI (c) uses in Old Oak north, as set out in the Places chapter. For ease of reference clarification is needed.</p> <p>Policy P2 of the Places chapter refers to BI (b) and BI (c) uses being located adjacent to transport and utilities infrastructure. Given that Old Oak north is to deliver the majority of residential development, unless carefully managed, this approach could impact on residential amenity. The policy needs to be more explicit as to where BI (b) and BI (c) uses should be located. These uses could form a transition between Scrubs Lane Character area, including the Former Cumberland Factory area, and Old Oak North. In this location these uses could usefully form a buffer, which would help to mitigate the impact of noise from Scrubs Lane, in addition to providing much needed employment space.</p> <p>BI (a) is a main town centre use, which would be appropriate along Old Oak high street and should not be confined to Old Oak station.</p>
E3	The site numbers need to be cross-referenced in figure 86.

	<p>The policy should include criteria to ensure where SIL borders residential area, a suitable buffer and mitigation is provided to prevent negative impacts.</p> <p>Policy should include guidance as to where floorspace suitable for SMEs should be concentrated.</p> <p>Point (e) – it is unclear what is meant by appropriate town centre uses. The London Plan promotes residential in town centre uses, therefore this policy could result in residential uses in close proximity to SIL.</p>
Figure 88	Figure needs to include site numbers for proposed additional SIL sites.
8.27	This paragraph supporting ancillary uses such as retail, meeting, eating and drinking places is not reflected in policy E3. Rather than ancillary, to be consistent with the London Plan reference should be made to walk to facilities which serve the needs of businesses.
E4	Brent Council strongly supports this policy. Given a secondary impact of the regeneration of Old Oak is likely to be development pressure on workspace suitable for SMEs, it is crucial the Local Plan ensures redevelopment results in re-provision of affordable workspace. This policy will be important in mitigating the impact of loss of employment land at Old Oak.
E5	Brent Council strongly supports the commitment to maximising access to employment, skills training and pre-employment support.
General	The Local Plan omits policy on work-live development.
Town centre	
TC2	<p>Town Centre Hierarchy</p> <p>Brent Council strongly object to the proposal that Old Oak High Street is a major town centre. Major town centres, as defined in the London Plan and this Local Plan, have a high proportion of comparison retail and attract a much wider catchment. Such a centre would draw trade from neighbouring centres such as Harlesden, to their detriment. London Plan policy 2.15 states changes to the town centre network should be coordinated strategically with relevant planning authorities. In discussion on the network and associated retail study there has been agreement that the retail offer of the centre at Old Oak will be primarily a convenience offer to serve residents and employees. This is not reflected in TC2. The policy has not been coordinated with Brent Council or regard for the existing network.</p> <p>Consideration also needs to be given to the impact a higher proportion of retail floorspace will have on achieving housing targets.</p> <p>Town Centre Boundary</p> <p>The Local Plan does not set a clear town centre boundary. The Old Oak places chapter indicates potential locations for town centre uses, and indicates the highest concentration of retail uses will be in Old Oak South, however, this is not reflected in policy TC2. There is nothing in the plan to prevent a significant quantum of retail floorspace being brought forward in early phases to the detriment of both nearby centres and Old Oak High Street. If demand for town centre uses is taken up in early phases, Old Oak High Street will not be realised. This will result in a disjointed connection, and be to the detriment of placemaking.</p>

	<p><b>Retail Impact Assessment</b></p> <p>The adjoining Harlesden town centre has a high proportion of small shop units. The average size of convenience retail units in Brent’s district centres is 215 sqm and 154 sqm for comparison. Meaning even a relatively small out of centre retail development could have a significant impact. In this context the threshold of 5,000sqm and 2,500sqm is not appropriate. The threshold has not been set with consideration for scale relative to town centres or cumulative effects, it is therefore not consistent with Planning Practice Guidance. As a minimum a threshold of 500sqm should be set.</p> <p>Option 3 (a district centre at Old Oak South and local centre at Old Oak North) combined with a Strategic Cultural Area designation, would minimise impacts on town centres consistent with NPPF. The designation of two centres will also have benefits in ensuring retail development is distributed across the area, and better support placemaking.</p> <p>Summary</p> <p>Designation of major centres must be undertaken at a strategic level, and cannot be designated through this Local Plan. As acknowledged in paragraph 9.12 the town centre hierarchy at major centre level can only be designated through the London Plan. At this stage the Local Plan should identify a district centre at Old Oak. A decision as to whether the centre should become a major centre, should be taken through the London Plan review. This approach allows a fuller consideration of the wider town centre hierarchy. It will also ensure earlier phases of development are not overly dominated by retail floorspace, at the expense of achieving residential targets.</p>
9.13	Old Oak does not need to be designated as a major centre to provide culture, sport and leisure facilities. Designation of a Strategic Cultural Area would be a more appropriate mechanism to promote the area for such uses.
9.14	Recognition is needed that the Retail Study has identified the development of a centre at Old Oak, will impact on Harlesden’s growth. It needs to be clear that the OPDC working with Brent Council and the Harlesden Forum will be active in mitigating negative impacts.
TC3	<p>The requirement to provide a Retail Vision Statement is supported. The statement should set out how the development will complement the existing town centre hierarchy, and must be required from the outset to allow full consideration of the impacts of the development.</p> <p>The NPPF requires planning policies to provide clear guidance as to how a decision maker should react to a development proposal. With this in mind, policy TC3 should set clear policy as to what constitutes an overconcentration of betting shops, pay-day loan shops and games arcades. It should also set a clear limit on the proximity of takeaways to schools. OPDC may wish to consider Brent Council’s emerging policy DMP 3 which sets a limit of 400m between schools and A5 uses. This buffer was informed by a study of takeaways consumption of local school students.</p>
TC4	For the reasons outlined in response to policy TC2 it is considered the quantitative need should be broken down further to identify how this will be distributed across Old Oak, and prevent the majority of floorspace being delivered in early phases as the expense of wider placemaking across Old Oak.

9.43	A threshold is needed to identify when a Town Centre Enhancement Strategy will be required.
TC6	Policy should also include reference to ensuring visitor accommodation does not compromise the supply of conventional homes. Policy should also be clear that visitor accommodation cannot become permanently occupied, and conditions will be applied accordingly. Brent Council has experienced problems with schemes consented as 'apart hotels,' which do not meet residential spacing standards, subsequently being advertised as permanent residential necessitating enforcement action.
TC7	Policy should acknowledge there is potential for a more flexible approach to opening hours in Park Royal, to serve buildings which operate 24 hours. This approach would also result in benefits in improving feelings of safety.
<b>Social Infrastructure</b>	
Si1	<p>Currently the policy is not sufficiently robust as it does not provide clear criteria as to when existing social infrastructure will be safeguarded. It would be beneficial for supporting text to include criteria setting out how it will be determined if social infrastructure meets a need. This assessment should include consideration of:</p> <ul style="list-style-type: none"> <li>• Consultation with service providers and the local community</li> <li>• details of alternative social infrastructure in the locality which meets the need in a different way or in a convenient alternative location;</li> <li>• vacancy and marketing data;</li> <li>• the potential of re-using or redeveloping the existing site for the same or an alternative social infrastructure use has been fully considered;</li> <li>• redevelopment is part of an agreed programme of social infrastructure re-provision to ensure continued delivery of social infrastructure and related services, as evidenced through a service delivery strategy.</li> </ul>
10.6	The sentence ' <i>Within later phases, it is anticipated that social infrastructure will need to be provided on-site</i> ' suggests social infrastructure will not be secured on-site in earlier phases. To promote Lifetime Neighbourhoods and community cohesion it is crucial social infrastructure is provided throughout development and not just as part of later phases. Social infrastructure covers a wide range of facilities, including smaller scale facilities such as play space, which will need to be embedded within each phase of development. For clarity this sentence should be removed.
Alternative policy option	Again this text suggests the intention is that social infrastructure will not be delivered on-site as part of earlier phases. Brent Council has been clear that there is not sufficient capacity to extend existing primary schools in the area to meet additional demand from Old Oak. It is not clear which existing facilities are to be expanded. If it is proposed that social infrastructure will be delivered off site this must be backed up by evidence that there is sufficient capacity to extend facilities. Failure to do so will result in further pressure on existing services in the surrounding area, and ultimately impact on the quality of life of existing and new residents in the area. Until it is resolved the Local Plan fails to ensure that adequate social infrastructure provision will be made to support development, and therefore is not consistent with London Plan policy 3.16 and the NPPF.
QSI2a	To give developers a clear steer and ensure an all through school delivered it is crucial the next iteration of the Local Plan identifies a site for an all through school. As parts of Old Oak falling within Brent are dominated by rail infrastructure there is not a site of sufficient capacity within the borough which could support an all through school in the timescales.

10.2	It would be beneficial to cross-reference that to promote the area as a healthy new town, major developments will be required to be supported by a Health Impact Assessment. This is consistent with the OPDC validation checklist.
10.21	There are some omissions from this list notably community nursing and therapies, diagnostics and public health services. These should be referenced here, or text should be amended to 'including, but not limited to,...'
SI4	This largely repeats policy SI1.
10.31	It is incorrect to say the NPPF includes nothing explicit on the protection of public houses. Paragraph 70 of the NPPF recognises public houses are community facilities and states planning policies and decisions should plan positively for their provision and use to enhance the sustainability of communities.
SI5	Given that there is such limited provision of public houses across the OPDC area, 3 public houses within approximately 868ha, this policy needs to be strengthened further. The Grand Junction Arms public house within Park Royal falls within Brent. The Council considers this to be of heritage significance which as set out previously the Council feels is worthy of local listing. Many public houses, such as the Grand Junction Arms, make an important contribution to the character of the area in terms of both their appearance and function. Planning Inspectors are increasingly acknowledging the contribution a public house use can make to the character of an area, as referenced by a number of recent appeal decisions in Kensington and Chelsea. A further criteria is needed in the policy to ensure any proposed alternative uses would not detrimentally affect the character of the area and retain as much of the building' defining external fabric and appearance as a public house as possible.
10.34	Reference to CAMRAs Public House Viability test is welcomed, however, to comply with the guidance it should be noted that applicants should also be required to demonstrate they have considered diversification options to enable the retention of the public house. This could include changes to allow uses which complement the function of the public house, such as visitor accommodation or a restaurant.
Transport	
T1	The policy needs to state that development coming forward in advance of new stations and station redevelopment should be designed to support the delivery and connection to the street and route hierarchy. Development which would jeopardise the future achievement of the route hierarchy should be refused. It should also be a strategic principle for development to integrate with and create connections to the surrounding area.
Figure 102	Figure 102 suggests there will be no pedestrian links from Willesden Junction to the east towards Harrow Road, Harlesden and Kensal. As discussed previously this link is crucial to strengthen connections to the east, towards Harlesden Town Centre. An upgraded route needs to provide a higher quality environment and improve feelings of safety.
QT2a	As above.
Figure 110	The figure omits parts of the existing cycling network, including route 45 which runs to the north along Tubbs Road connecting the area to Wembley and Wealdstone and Notting Hill to the south.
QT3a	There is a lack of cycling connections to the tube stations on the periphery of Park Royal. Within Park Royal there are disjointed cycle routes along Rainsford Road and part of Lakeside Drive. There is also an issue of routes

	being gated. The Local Plan should seek to create a connection between these routes, to address severance.
T4	To be consistent with text elsewhere in the Local Plan policy must clarify it is not just capacity improvements needed to Willesden Junction station, but a wider station upgrade.
11.31	Park Royal Transport Strategy identifies the need to improve permeability to the station in Park Royal but this isn't reflected elsewhere in the chapter.
T5	It would be beneficial for the next iteration of the Local Plan to include a diagram indicating potential bus routes and how connectivity between Old Oak Park Royal and the wider area will be improved.
11.40	Although there will be a need to create connections to new rail stations this should not be at the expense of connections to existing stations.
Figure 113	Brent Council strongly supports the Crossrail to the West Coast Mainline (WCML) link. This link would allow Brent to be better interconnected with the rail network, reduce time savings on travel and ease congestion at Euston. The Council is concerned without this link commuters will instead drive to Old Oak or Willesden Junction to access the station, placing further pressure on the road network and car parking provision. As the transport chapter indicates if the road network around Old Oak and Park Royal is to cope with the increased level of development it is crucial the use of public transport is facilitated.
<b>Environment &amp; Utilities</b>	
QEUa	Policy should also be included on preventing and mitigating the impacts of light pollution and odour. Given the concentration of food manufacturing in Park Royal residents are concerned about the generation of smells from industry.
Table 12	The OPDC Green Infrastructure Strategy should take into account the findings of the Brent Sites of Importance for Nature Conservation study (2014), EPR.
12.3	This paragraph is at odds with policy EU1, which states the targets in table 13 are environmental standards set by the OPDC, rather than interim targets which derive from the London Plan. Given that the OPDC Local Plan must be consistent with the London Plan to be found sound, the targets in table 12 should be minimum standards.
12.30	It would be beneficial to cross-reference relevant measures identified in the Thames River Basin Management Plan 2015 to help mitigate poor water quality. Of particular relevance to the Grand Union Canal is the control and management of invasive non-native species and managing pollution from waste water.
Figure 130	It would be beneficial for figure 130 to differentiate between Floodzone 3a and 3b.
QEU3a	Brent Council supports preferred IWMS option 4. Residual attention above ground provides the greatest opportunity to contribute to wider policy objectives including ecological benefits, and opportunities for recreation and place making. This option is also the most consistent with the drainage hierarchy as set out in London Plan policy 5.13 Sustainable Drainage.
EU4	Brent Council welcomes the commitment to continuing to safeguard waste sites in Park Royal in accordance with the West London Waste Plan. Supporting text should make it clear that in addition to policy EU4, proposals for waste development must accord with the policies in the West London Waste Plan.  Businesses in Park Royal experience problems recycling waste and many use



	different contractors, placing further pressure on the transport network. To support the objectives of the Local Plan and help mitigate transport impacts a project is needed to seek to establish a coordinated approach to waste management making use of local contractors and waste sites.
12.42	Any relocation deemed necessary will need to be consistent with West London Waste Plan policy WLWP 2 in addition to London Pan policy.
EU5	Alternative policy option relates to policy EU4.
EU8	<p>Ambitious targets are needed for habitat creation, in addition to survey and protection of existing sites. Much of the biodiversity referred to lies alongside railway lines. This is all at risk of removal for railway operational reasons and will be difficult to protect. Therefore the Plan needs to secure other locations within development sites for creation of new green infrastructure. Development should include green and brown roofs, green walls, planting of native trees in addition to ornamental species. Also aquatic habitat creation could be allied to surface level SUDS schemes in swales and permanent ponds. SUDS can be included at a small scale for individual buildings visibly expressed externally as part of the storm water drainage arrangements, also at a district wide level in lakes or ponds for surface water attenuation.</p> <p>It is imperative that a full tree survey is carried out of the entire OPDC area in order to give a baseline of current tree stock, condition and life expectancy. This will help shape detailed tree policy for the life of the project and should inform a numerical tree planting target. Larger longer lived species should be planted wherever possible and the right tree right place approach applied. Generous pavement width should be promoted where possible to enable tree planting along naturalistic verges. The opportunity for tree planting to be used as screening for the HS2 compound should be promoted.</p>
QEU8b	<p>Site boundaries should be amended in accordance with the Brent Sites of Importance for Nature Conservation study (2014), EPR. The study recommends boundary changes in relation to:</p> <ul style="list-style-type: none"> <li>• Diageo Lake &amp; Coronation Gardens BI07</li> <li>• Silverlink Metro BI06A</li> <li>• Abbey Road Mound BII07</li> <li>• Harlesden to Wembley Central BI06D</li> </ul> <p>The study can be viewed at: <a href="http://www.brent.gov.uk/services-for-residents/planning-and-building-control/planning-policy/local-plan/development-management-policies/review-of-the-sites-of-importance-for-nature-conservation/">www.brent.gov.uk/services-for-residents/planning-and-building-control/planning-policy/local-plan/development-management-policies/review-of-the-sites-of-importance-for-nature-conservation/</a></p>
Figure 133	<p>The figure omits Grade II Site of Importance for Nature Conservation at:</p> <ul style="list-style-type: none"> <li>• Coronation Gardens to the south of Lakeside Drive</li> <li>• South of Rainsford Road, First Central Site.</li> <li>• West of Rainsford Road, First Central Site.</li> </ul>
EU9	<p>Although this policy does not refer specifically to shale gas fracturing ('fracking') it is assumed this is what is referred to. The statement that it is unknown whether there is potential for this activity in the plan area of the geology is suitable is inaccurate. Brent, as in much of London, is underlain by London clay (Croydon is the exception). This is not shale gas producing geology. The British Geological Survey has investigated the shale gas prospectively in the UK and found there are no shale reserves in Brent and currently virtually all sites identified with this potential are outside London.</p> <p>Brent Council strongly objects to policy EU9 which gives encouragement to</p>

	<p>shale gas fracturing within the OPDC area. The promotion of this activity within the area is in conflict with other policies within the OPDC Local Plan and London Plan policy, as it will result in significant detrimental environmental impacts. The process of extracting gas from the ground will have a detrimental impact on air quality in an existing Air Quality Management Area. This would be contrary to proposed Local Plan policy EU10 and London Plan policy 7.14, which require development proposals to address local problems of air quality and not lead to further deterioration of existing poor air quality.</p> <p>We would anticipate impacts on local health and amenity, due to impacts on air quality and increased noise. As such, the promotion of shale gas extraction is not consistent with the promotion of Old Oak as a healthy new town, or the Local Plan objective to improve the quality of life, enhance health and well-being of communities.</p>
EU10	Key issues for the Air Quality Policy should include that although traffic is the main source of air pollution other sources will contribute such as construction activities and Non-Road Mobile machinery and local industry.
Delivery & Implementation	
Figure 138	The Council questions on what basis the Development Capacity Study has suggested development of First Central site within Park Royal would not come forward until 2022 and 2037. Initial phases of office and residential development have already been delivered on the First Central site, and the infrastructure needed to support further development is not of the scale of that needed in Old Oak. In addition it is not constrained by the delivery of Old Oak Common Station. Further development could therefore reasonably come forward in the period 2017 to 2021.
13.9	Should cross-reference Table 16 on pages 340 to 345.
13.11	Development within the OPDC area, if not supported by adequate infrastructure, would give rise to unacceptable impacts and therefore <u>would not</u> be acceptable. Text in paragraph 13.11 should be amended from 'may not' be acceptable to 'would not.'
QDIa	<p>Given that Old Oak Common Station will not be delivered until 2026, the early redevelopment of Willesden Junction Station needs considerable early improvements and investment if it is to provide a credible gateway to Old Oak and this must be a shared delivery priority for regeneration in the area. Willesden Junction Station is a critical commuter station for Brent residents and for many years to come will be the primary public transport gateway to the Old Oak regeneration area. The redevelopment of Willesden Junction will be critical to creating improved links to Harlesden. The reconfigured station should be orientated to include a more direct access on to Station Approach. This would also enable sites surrounding Willesden Junction to be brought forward for development.</p> <p>The Council welcomes acknowledgment in the Local Plan that Willesden Junction Station should be delivered as part of the first phase, however, an additional timescale is needed to identify infrastructure to be delivered in advance of Old Oak Station.</p> <p>For the reasons set out above Brent Council also strongly supports the Crossrail West Coast Mainline link.</p>
QDIc	An additional item should be included around providing infrastructure to support the operation of the canal, such as to allow for the transport of goods

	during construction and in the longer term moorings. This is consistent with the Park Royal Transport Study which comments on the potential for freight movements utilising the canal and the OAPF.
Figure 141	For clarity it would be beneficial for this figure to differentiate between existing and needed infrastructure.
Table 16	<ul style="list-style-type: none"> <li>• The phasing should be broken down further to identify infrastructure to be delivered in advance of Old Oak Common station to support development of Old Oak North.</li> <li>• T4 &amp; T5 - need to define if connection is vehicular and/or pedestrian.</li> <li>• T12.3 A&amp;B - public realm and capacity enhancements should not be restricted to Scrubs Lane. Transport studies indicate impacts to the A404, particularly the junction at Harlesden Town Centre. Therefore capacity enhancements are likely to be needed beyond Harrow Road. In addition to meet the objective of ensuring regeneration benefits to the surrounding area, it is essential public realm improvements and signage help improve connectivity to Harlesden. There needs to be a degree of flexibility to allow these improvements to extend as necessary.</li> <li>• T12 - on figure 140 does not correlate with Scrubs Lane.</li> <li>• T13 – on figure 140 this item appears to relate to the Crossrail and West Coast Mainline connector, rather than public realm and capacity enhancement on Victoria Road.</li> <li>• T28 should also include public cycle parking facilities and be across Old Oak and Park Royal.</li> <li>• SS1 &amp; SS2 - to reiterate there is no further capacity to extend schools in the vicinity in Brent.</li> <li>• Emergency Services - have these figures taken account of service plans of providers? Many are consolidating their operations, so it may not be possible to extend existing facilities.</li> <li>• In relation to Park Royal, the following items from the Park Royal transport study can't be readily identified on the list:- <ul style="list-style-type: none"> <li>- Carriageway surface improvements in the Park Royal area (locations to be identified)</li> <li>- New road connections in the Park Royal area (locations to be identified)</li> <li>- Provision of HGV corridors within Park Royal (locations to be identified)</li> <li>- Provision of electric Vehicle charging infrastructure (locations to be identified)</li> </ul> </li> </ul>
QDif	In addition to monitoring within the OPDC area, it will be important to

	<p>monitor the impact on the surrounding communities, in particular:</p> <ul style="list-style-type: none"> <li>• economic impact- in terms of employment, training, the health of Harlesden Town Centre</li> <li>• health impacts- based on local health indicators and deprivation</li> <li>• housing -residents benefitting from affordable housing through nomination rights</li> </ul>
Glossary	NPPG is an acronym for National Planning Practice Guidance rather than National Planning Policy Guidance.